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Edison Energy talks C-suite EV ramp-up “the dominoes started falling”

By Elana Knopp

As C-suite directives around ESG targets continue to ramp up, commercial customers are increasingly looking for cost-effective ways to meet their corporate carbon and sustainability goals.

With the accelerated adoption of electric vehicles, transportation electrification has become a more viable solution for organizations looking to reduce their environmental footprint. Now, as commercial fleets plan for a massive shift to EVs, Edison Energy has stepped in with a new initiative to support all aspects of fleet electrification, including early-stage feasibility, fleet assessment, EV charger design and construction, and energy optimization.

“Increasingly, a lot of corporates, businesses and organizations have set renewable energy, carbon or sustainability targets and have really big ambitions by 2030 or 2040,” Meghan Weinman, Edison Energy's Director of Transportation Electrification, told NPM.

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“With a lot of these companies, in terms of their portfolio, transportation is a big part of it. Part of the reason we decided to get involved in this is coming organically from our clients more and more, and more industry is interested in vehicle electrification. There’s just a lot of momentum that’s happening. Now, a lot of corporates are seeking applications for their own use cases, so it’s really been driven from that market demand but also our customers’ demand too.”

Edison Energy is a wholly-owned subsidiary of Edison International, a multi-billion dollar company that has made major inroads across the EV sector. The parent company of Southern California Edison, Edison International has a history of early investments in EV manufacturers and EV infrastructure managers like Proterra and Amply Power, among others.

With the launch of Edison Energy’s Electric Transportation Practice, clients looking to electrify fleets include commercial and industrial customers with aggressive corporate sustainability goals, real estate owners and developers seeking to attract tenants by installing charging stations as an on-site amenity, municipal customers, and transit agencies.

“It seems almost instantaneous,” Bill Kenworthy, Edison Energy’s Vice President of Energy Optimization, told NPM. “Three years ago, we would run into developers who were trying to figure out how to put charging points in malls, but you never really felt like the clients were pulling it. I’m feeling like in the last year, in the midst of Covid, there’s a general ‘awoke’ sensation. Boards are now committing, and I can’t say what happened other than the dominos started falling. Five years ago, Walmart said that all of their supply chain had to go green. It seemed like a Walmart move. And now corporations are doing it independently.”



President Biden's prioritization of transportation electrification has helped move the needle around EV consumer confidence. The Administration's USD 174bn investment proposal 'to win the EV market' is expected to leverage the power of the federal government, from purchasing and R&D, to tax, trade, and investment policies to position the U.S. as a global leader in EVs and EV infrastructure manufacturing.



Last week, the White House announced progress on the proposal, including guidance from the Department of Transportation on how grants can be used to deploy charging infrastructure and newly designated alternative fuel corridors. The Department of Energy has also announced new funding and partnerships for charger-related research and development, while the General Services Administration is moving towards the goal of transitioning the federal fleet to zero-emission vehicles.

"That's adding confidence in the corporate sector," Weinman said. "I like the analogy that capitalism and environmentalism are finally talking to each other. That seems unusually beneficial right now. You can actually have a good balance sheet by doing the right thing with the environment, which I think a lot more corporations are seeing. You have big corporates like Walmart, Amazon and Microsoft who are making really big carbon commitments. They're actually making that first move--that is de-risking it for a lot of the second movers. And then you're seeing smaller, mid-size companies saying, 'yes, now we can do this too.'"

A major aspect of the nationwide ramp-up will center on Biden's promise of USD 100bn in new consumer rebates. The proposal will also allocate USD 15bn to establish grant and incentive programs for state and local governments and the private sector to build a national network of 500,000 EV chargers by 2030.





“It’s huge,” Weinman said. “The biggest thing in the package are the direct incentives. There’s going to be some tax provisions in there as well, so its upfront costs for the vehicle but also for the charging infrastructure that goes along with that. It will only add to a positive return on the balance sheet. I think that’s a huge piece of the equation. I think folks in the industry have been really excited about the EV infrastructure package because it’s really the support and the boost that the industry has needed for that confidence.”

Driving momentum

Last year saw significant growth around plug-in EVs, according to EV Volumes. What started out as an unprecedented economic downturn during the Covid health crisis took a surprisingly positive turn, especially in Europe, where nearly 1.4 million EVs were registered in 2020--a whopping 137 percent increase from 2019. EV sales in the U.S. also outperformed the market, mostly due to the introduction of Tesla's Model-Y. The company extended its sector domination in 2020, with 62 percent of all plug-in EV sales and 79 percent of all battery EV sales in the U.S. coming from Tesla. “Everyone feels the movement,” Kenworthy said. “Everyone knows it’s coming. There are people inside the companies that say, ‘I don’t know what to do’ because activating the mission is so multi-faceted. You run a fleet for 10 years--it’s your day job. Now all of a sudden, a VP knocks on your door and says, ‘Congratulations, you have to electrify your entire fleet.’ And they say, where do we start? This is the dilemma we’re seeing right now. They get it and they want to do it, but activating it is hard.”





Which is where Edison steps in, from early stage conversations around fleet electrification, to implementation and infrastructure.

“Typically what happens is that you'll have some sort of corporate goals that are coming from C-suite,” Weinman said. “Then you have folks that have to be the implementers of a lot of that vision, so that's facilities managers, fleet managers, energy managers, sustainability managers. Where these organizations need help is putting those goals into action because a lot of those folks have a lot of other priorities on their plate along with sustainability. They're running massive fleets, and now they have to think about EVs. It's a new technology, it's a new source of energy, and they now have to think about carbon and energy management in a whole new way that they never had to before.”

With Edison customers operating modest to massive commercial fleets, vehicle electrification has resulted not only in major emissions reductions, but also substantial savings. And while there are typically higher upfront costs for EVs, costs around operations and maintenance over the life of the fleet are significantly lower than gas-powered vehicles.

“Two years ago, companies were doing energy conservation measures primarily for the economics,” Kenworthy said. “And then they would say, ‘I wonder if we can turn this into a sustainability byline.’ I think what we're experiencing now, because of these board-level mandates, is starting out as a carbon story but yet it still has to be solved by the economics. Altruistically, they're still trying to be greener. When people see that the cost of a commercial fleet can go down 20 percent because it's electrified, that's what puts it over the top.”

