

ChargePoint's New EV Charging Service Borrows From Solar Leasing Models

A solar financing model for EV chargers? Plus, partnership with Schneider revealed.

JEFF ST. JOHN: SEPTEMBER 23, 2013

ChargePoint, the startup that's networked about 13,000 electric vehicle charging stations across the United States, plans to start seeding the still-nascent market with its own version of the no-money-down solar lease model, this time for EV charging infrastructure. And, by the way, it also has a previously undisclosed, deep-pocketed corporate partner that might lend a hand.

That's the news from Monday's "Charge Across Town" event in San Francisco, where ChargePoint CTO and founder Richard Lowenthal said his company is set to launch a financing option for customers interested in paying off the cost of their charging equipment over time.



"The charging of your car will actually pay for your charging infrastructure," he told a small crowd of EV enthusiasts at Justin Herman Plaza, where EV makers like Nissan, Ford and GM were showing off plug-in vehicles as part of a nationwide tour to promote electrified transportation.

The idea comes from the solar financing world, he added, where companies like SolarCity, Sunrun, Sungevity and others have built a burgeoning business in leasing or writing contracts that offer owners low- or no-cost solar panels in exchange for long-term payment contracts.

Lowenthal didn't provide many more details in an interview after his announcement. The Campbell, Calif.-based company, which changed its name from Coulomb Technologies last year, declined to offer

more details in follow-up calls Monday, including information about financing or infrastructure partners it's working with.

ChargePoint also didn't clarify whether its financing program would apply to individual residential installations, which can run in the \$2,000 range and up for simple, Level 1 slow-chargers that require up to eight hours to replenish a typical EV battery, or for larger-scale commercial installations that could include many installations of more expensive, higher-voltage Level 2 chargers capable of cutting charge times down to a matter of a few hours -- or perhaps both.

Still, it's noteworthy that one big EV charging equipment manufacturer also at Monday's event affirmed that it has been working with ChargePoint behind the scenes for some time. That's Schneider Electric, the French power equipment and grid giant.

Mike Calise, director of electric vehicles for Schneider Electric's North American operations, said during the event with San Francisco Mayor Ed Lee that ChargePoint is one of Schneider's "innovation partners," and told me after the event that Schneider and ChargePoint have been working together for a year or more.

EV Charging Hardware, Software, Networks, and Market Share

Specifically, Calise said that some of [Schneider's EVLink charging stations](#) are using ChargePoint's technology to provide a "robust, secure network" for managing the relationship between drivers and charging station owners. That's the same kind of work that ChargePoint has been doing with a number of EV charging device makers, including Eaton, Fuji Electric, Leviton and Siemens -- but that [list on ChargePoint's website](#) doesn't yet include Schneider.

UPDATE: Schneider has specifically started working with ChargePoint on a cloud-based service that allows EV drivers to charge up at EVLink stations in Nevada and California. Customers include Caesars Entertainment, which installed eight stations at Harrah's Reno and another eight stations located at its Lake Tahoe properties, and a partnership with Toyota, City CarShare, Oracle, Kaiser, and other tenants of the Hacienda Business Park in Pleasanton, Calif. that allows employees to take public transportation to work, then drive rental EVs from the office.

Because ChargePoint makes its own EV charging systems, it's in some ways a direct competitor to all of these other manufacturers of chargers. But as a startup competing with deep-pocketed corporate giants, ChargePoint hasn't tied its future to becoming a hardware supplier -- even as it has taken

advantage of \$15 million from the Department of Energy and \$3.4 million from the California Energy Commission to deploy about 4,600 of its chargers in California and across the United States.

Instead, it has focused on the underlying network and cloud-based software for managing the interaction between EV drivers and charging infrastructure owners. That, in turn, is meant to establish ChargePoint as a trusted intermediary between the small but growing number of plug-in vehicle owners and the myriad parties that might want to install chargers to support those drivers, whether they're retail centers, airport parking lot operators or corporate fleet owners.

"People sometimes accuse me of having a six-year-old company in a two-year-old market," Lowenthal joked to Monday's crowd, referencing the fact that mass-production plug-in vehicles such as the Chevy Volt, the Nissan Leaf and the Tesla Model S have come onto the market years after Coulomb's 2007 founding.

Since then, the startup has raised just more than \$80 million in four disclosed rounds of investment. Investors include VCs such as Braemar Energy Ventures, Kleiner Perkins Caufield & Byers, Rho Ventures, Voyager Capital, Harbor Pacific Capital Partners and Hartford Ventures, as well as potential strategic investors such as Toyota Tsusho, Siemens Venture Capital, LS Cable and LS Industrial Systems. (Another, undisclosed investment came from BMW i Ventures in mid-2012.)

While that's a healthy amount of funding, it's almost certainly not enough to bankroll a customer financing program on its own, meaning that ChargePoint can be expected to have some deep-pocketed partners to announce when it unveils its financing plan next week.

If You Build (or Finance) the Infrastructure, Will the EVs Come?

It's also unclear how ChargePoint's financing program intends to create a steady and predictable income stream from an uncertain future number of EV drivers parking and plugging in to charge. Solar power financing, on the other hand, can at least reliably forecast the power output of solar panels for years in the future -- although it's much harder to predict long-term trends in electricity bills, solar incentives and other variables that affect those contracts.

This also underscores the broader uncertainty surrounding how many plug-in vehicles will come onto the market in the coming years to support the public charging stations being deployed by ChargePoint and other companies. Earlier this month, Siemens announced it was exiting the public charging station business, citing slower-than-expected growth in plug-in vehicle sales to support it.

Certainly there's plenty of risk involved in building out an EV charging infrastructure. NRG Energy, which [launched its eVgo car-charging business in 2011](#), is attempting to manage the risks of owning and operating its own charging networks in ways built to suit the jurisdictions it's operating in, whether they're deregulated markets like Texas and the Northeast, or [via legal settlements in California](#).

Relying on government funding to support charging infrastructure is clearly not a winning model, however, as proven by ECotality, the publicly traded company that [filed for bankruptcy protection](#) earlier this month. ECotality spent more than \$100 million in federal grants to [install more than 10,000 of its Blink chargers](#) as part of the DOE's EV Project, only to [founder on its inability to monetize](#) those charging stations or deliver on its other business lines.

As Schneider's Calise noted, "Blink is going to be a black eye" for the EV charging industry, though he also noted that "there are assets there," namely the 4,000 or so commercial-level Blink charging stations deployed to date which could continue to operate under new ownership.

[ECotality and ChargePoint agreed](#) earlier this year to allow drivers signed up with one company to use the other's charging stations, although with ECotality's bankruptcy, the future of that agreement is now unclear, Lowenthal said.

Calise added that, while slow-charging Level 1 [residential charging systems](#) are the most widely deployed EV chargers to date, "the second most important place people charge is at the workplace," where employees have less time to charge, and thus require faster, higher-voltage Level 2 chargers.

The same could be said for shopping centers, malls, hotels, universities, sporting complexes and other public parking locations, he said. It might also apply to multi-family dwellings like apartments and condos, where ChargePoint has installed 120 charging ports in 47 multi-family locations.

One thing's for sure, however: as government-backed EV charging infrastructure projects like DOE's EV Project end, the industry will need other models to fill in the gaps. There's a long way to go between today's still-developing market and a future in which plug-in vehicle drivers can feel secure in being able to drive everywhere they want to go, without being stranded on the roadside.

<http://www.greentechmedia.com/articles/read/chargepoint-to-launch-financing-for-ev-charging>