



Morgan Lewis

PART II: ALL THINGS EV— FINANCE AND TRANSACTIONAL CONSIDERATIONS

September 28, 2022

E. John Park
Michael A. Müller

Morgan Lewis Automotive Hour Webinar Series

Series of automotive industry focused webinars led by members of the Morgan Lewis global automotive team. The 8-part 2022 program is designed to provide a comprehensive overview on a variety of topics related to clients in the automotive industry. Upcoming sessions:

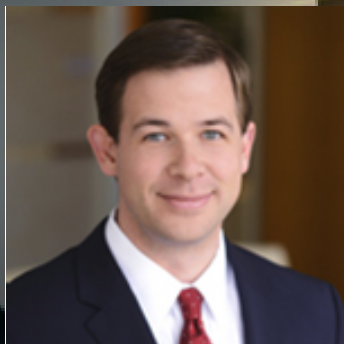
- **November 9** | European Antitrust and Other Regulatory Updates for the Automotive Industry



Presenters



John Park
Partner, Silicon Valley



Michael Müller
Partner, Boston

Morgan Lewis

Agenda

- Introductions
- Investments and Transactional Matters Involving EV Charging
- Corporate Partnering and Venture Investments

Investments and Transactional Matters Involving EV Charging

Morgan Lewis

Where we were ...

EV charging was historically a high-risk investment

- EV adoption hesitancy and demand uncertainty
- High upfront cost
- Regulatory uncertainty
- Rapidly evolving technology
- Electricity supply and demand

Where we are ...

Recent critical changes to the EV charging landscape

- Battery and charging technology advancements
- Government funding and tax incentives
- Regulatory and policy changes to promote EV charging

Future of EV charging looks bright

- Edison Electric Institute projects a 10x increase in DC fast charging stations to over 100,000 all commercial charging stations to over 500,000 by 2030
- The Biden administration has made a commitment to see this increase in charging over the next decade

EV Charging Risk Factors

Power Supply

- S&P Global estimates 4.68 TWh of electricity for current charging needs
- Increased EV demand will only increase demand response issues

Site Control

- Need for on-site customer access

Regulatory Matters

- Regulatory risk and uncertainty remains

EV Charging Risk Factors (continued)

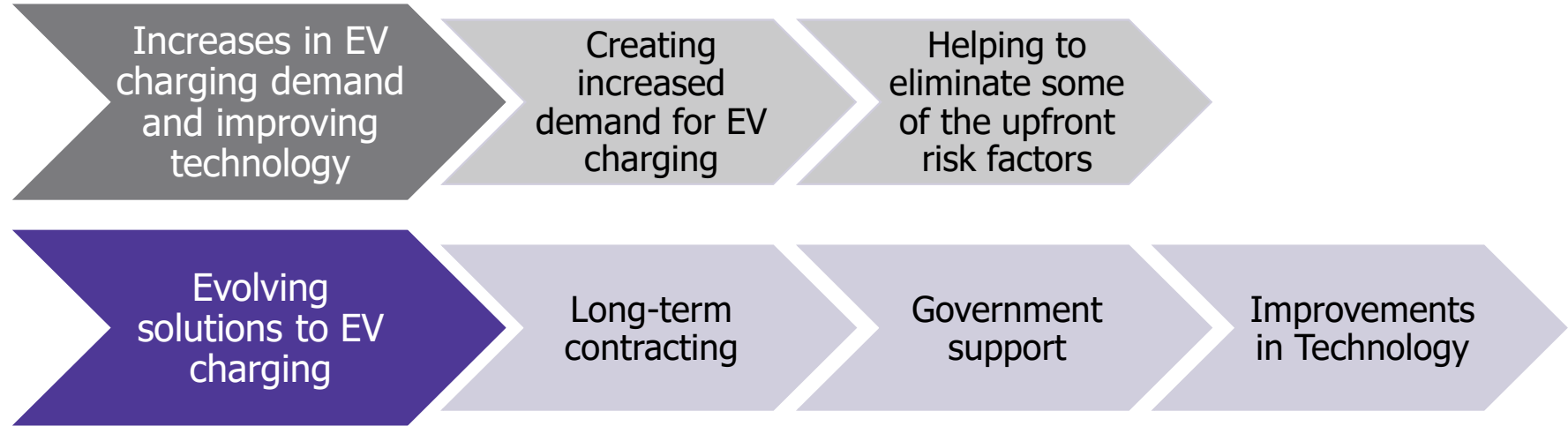
Intellectual Property / Charging Uniformity

- Evolving technology leads to concerns about picking the wrong partner

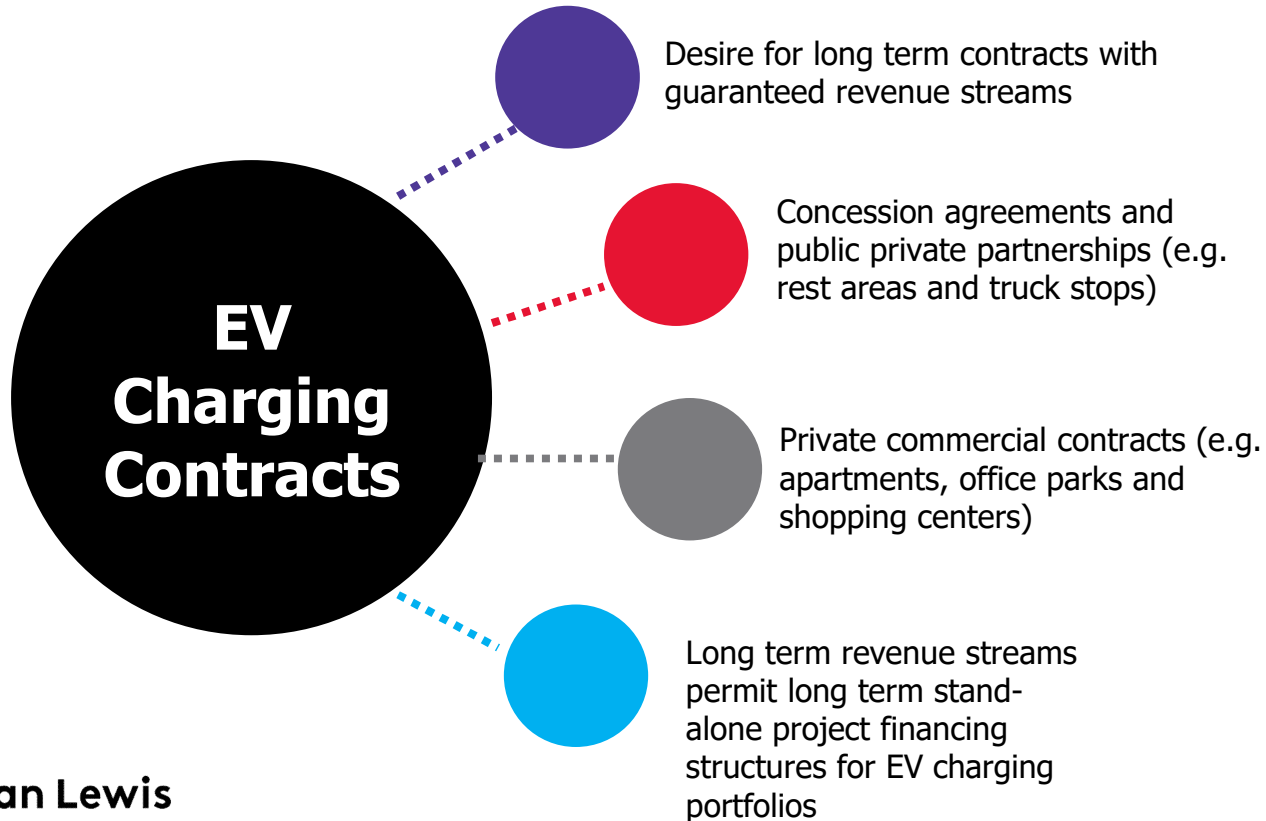
Supply Chain Issues

- Post-COVID Supply chain delays continue to affect the industry
- Certain components including computer chips are scarce

EV Charging Today and Tomorrow



Contracting



Recent Government Initiatives

1

\$7.5 billion committed in bipartisan infrastructure bill to EV charging buildout

2

DOT initiative to create charging uniformity

3

Federal and state initiatives to create regulatory certainty

4

Impacts of IRA on EV charging

- Tax credits for EV will result in increase demand
- EV charging tax credits for certain infrastructure located in low-income communities

Technology Advancements

Technology and Structuring Changes

- Combining EV charging with Solar + Storage
 - Demand charges for stand-alone EV charging can be difficult to finance
 - On-site solar + storage coupled with EV charging reduces risk of demand charge expenditures and electricity supply uncertainty
 - Micro-grids incorporating EV charging into the overall mix
- Evolving EV charging technology
 - Backup power supply - pull power from electric vehicles to supply power back to the grid in times of emergency
 - Ability for technology to differentiate demand usage based on location of EV charging
 - Hydrogen powered fast-charging fuel cells

Corporate Partnering and Venture Investments

Corporate Venture Capital firms have favored the EV space as corporates ranging from the oil and gas industry, communications infrastructure, semiconductors and auto sectors see opportunities to partner and innovate complimentary technologies or to reinvent themselves.

With these investments, in addition to the cash investment, the transaction often involves a collaboration agreement and/or side letter which include exclusivity, most favored nations provisions, warrants and rights of first refusal.

EV start ups have to carefully consider strategic considerations as the auto sector has a limited field of major players to work with and associating with one or more players may limit upside potential.

Questions?

John Park | Partner, Silicon Valley

john.park@morganlewis.com | +1.650.843.7595

Michael Müller | Partner, Boston

michael.muller@morganlewis.com | +1.617.341.7739

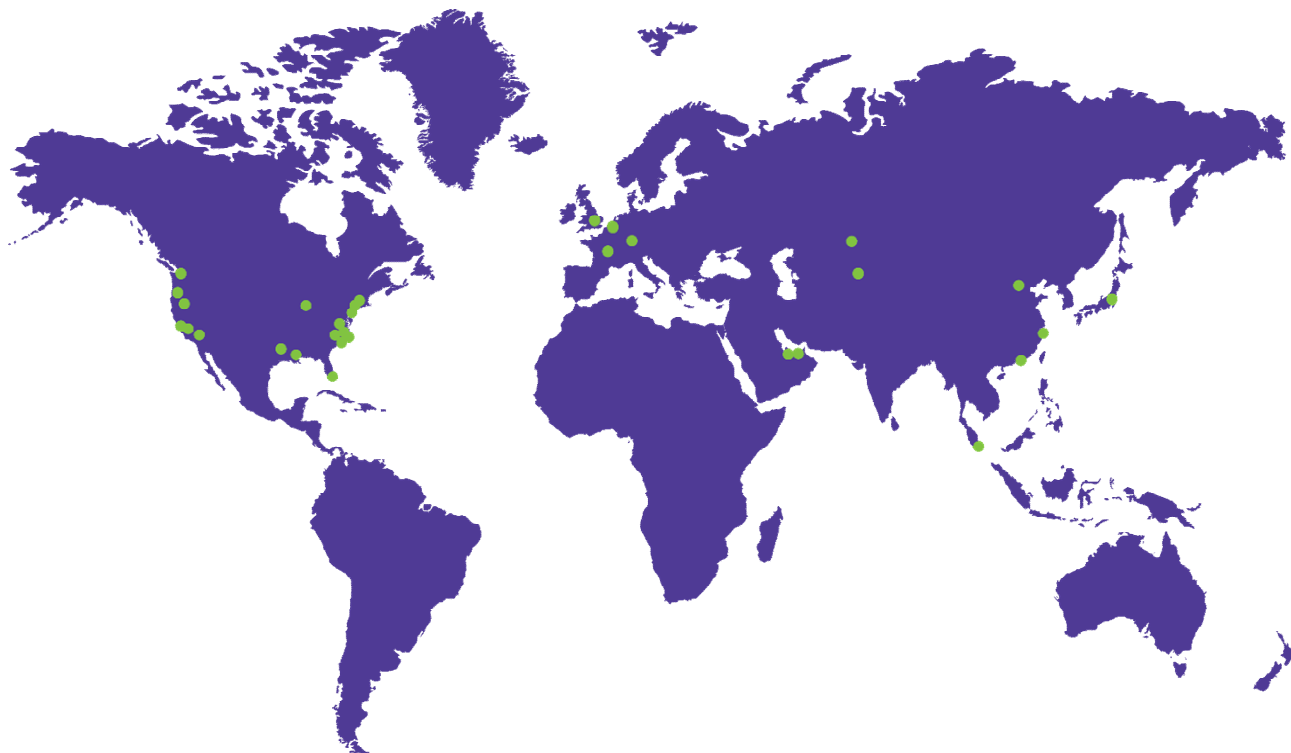


Our Global Reach

Africa
Asia Pacific
Europe
Latin America
Middle East
North America

Our Locations

Abu Dhabi
Almaty
Beijing*
Boston
Brussels
Century City
Chicago
Dallas
Dubai
Frankfurt
Hartford
Hong Kong*
Houston
London
Los Angeles
Miami
New York
Nur-Sultan
Orange County
Paris
Philadelphia
Pittsburgh
Princeton
San Francisco
Seattle
Shanghai*
Silicon Valley
Singapore*
Tokyo
Washington, DC
Wilmington



Morgan Lewis

Our Beijing and Shanghai offices operate as representative offices of Morgan, Lewis & Bockius LLP. In Hong Kong, Morgan, Lewis & Bockius is a separate Hong Kong general partnership registered with The Law Society of Hong Kong. Morgan Lewis Stamford LLC is a Singapore law corporation affiliated with Morgan, Lewis & Bockius LLP.

THANK YOU

© 2022 Morgan, Lewis & Bockius LLP
© 2022 Morgan Lewis Stamford LLC
© 2022 Morgan, Lewis & Bockius UK LLP

Morgan, Lewis & Bockius UK LLP is a limited liability partnership registered in England and Wales under number OC378797 and is a law firm authorised and regulated by the Solicitors Regulation Authority. The SRA authorisation number is 615176.

Our Beijing and Shanghai offices operate as representative offices of Morgan, Lewis & Bockius LLP. In Hong Kong, Morgan, Lewis & Bockius is a separate Hong Kong general partnership registered with The Law Society of Hong Kong. Morgan Lewis Stamford LLC is a Singapore law corporation affiliated with Morgan, Lewis & Bockius LLP.

This material is provided for your convenience and does not constitute legal advice or create an attorney-client relationship. Prior results do not guarantee similar outcomes. Attorney Advertising.