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PROJECT NO. 49125

REVIEW OF ISSUES RELATING TO ELECTRIC VEHICLES	§	**PUBLIC UTILITY COMMISSION OF TEXAS**

EL PASO ELECTRIC COMPANY'S RESPONSE TO THE PUBLIC UTILITY COMMISSION OF TEXAS' SECOND REQUEST FOR COMMENTS REGARDING PROJECT NO. 49125

On July 31, 2020, the staff of the Public Utility Commission of Texas (the "Commission") ("Staff") provided a public notice of a second request for comments regarding Project No. 49125, *Review of Issues Relating to Electric Vehicles*. El Paso Electric Company ("EPE") offers the following comments for the Commission's consideration.

Questions

1. As a matter of policy, which entity or entities should be permitted to own or operate an electric vehicle charging station in the Texas competitive electric market? Is a different ownership structure appropriate for service areas not open to retail competition?

Response:

In areas not open to retail competition, the incumbent utility and any governmental or commercial entity should be permitted to own or operate commercial electric vehicle ("EV") charging stations, subject to the limitations and requirements for supplying retail electric service.

2. Is the operation of an electric vehicle charging station a retail sale of electricity?

Response:

This question is not clearly settled under current law, so it could potentially be classified as a retail sale of electricity based on how the commercial transaction is made. Charging a customer based on the metered kilowatt or kilowatt hour delivered would currently be defined as a retail sale of electricity subject to regulation by the Commission. Charging sales based on charging time, charging type, or battery specifications may not be considered a retail sale of electricity.

3. As a matter of policy, how should the cost of the distribution system infrastructure associated with an electric vehicle charging station be recovered in the Texas competitive electric market?

Response:

In areas not open to competition, provision of generation, transmission, and distribution service associated with EV charging is exclusively the right of the Fully Integrated Utility ("FIU"). Historically, that domain extended to and included the metering point and meter, and cost responsibility for the fully allocated cost of all services would be the responsibility of the account owner. However, upgrade and expansion of the distribution grid to enable EV charging could be enabled by allocating some portion of the grid infrastructure cost responsibility more widely. In this scenario, FIU's would develop distribution plans for extension and upgrade to accommodate commercial EV charging in predetermined locations (city centers, airports, commercial centers, interstate transportation points, etc.) and costs associated would be allocated to all customers to the extent not recovered through direct EV charging service.

4. Is the answer to Question 3 different for an electric vehicle charging station located in a remote area, primarily for use by long-distance rather than local motorists?

Response:

No, the general approach would be the same, though cost allocation may vary with an increase to the end users. Remoteness of charging locations may reduce those remote stations use by a wide-range of customers, but charging stations are critical for widespread adoption of EVs.

Respectfully submitted,

Matthew K. Behrens
State Bar No. 24069356
Attorney
matthew.behrens@epelectric.com
El Paso Electric Company
P.O. Box 982

El Paso, Texas 79960
Telephone: (915) 543-5882
Facsimile: (915) 521-4412

ATTORNEY FOR EL PASO ELECTRIC COMPANY