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PROJECT NO. 49125

REVIEW OF ISSUES RELATED TO ELECTRIC VEHICLES § PUBLIC UTILITY COMMISSION OF TEXAS §

SOUTHWESTERN PUBLIC SERVICE COMPANY'S RESPONSE TO STAFF'S SECOND REQUEST FOR COMMENTS REGARDING ELECTRIC VEHICLES

At the July 31, 2020 Open Meeting, a second request for comments from the staff of the Public Utility Commission of Texas ("Commission") was approved. Southwestern Public Service Company ("SPS") offers for the Commission's consideration the following responses.

- 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?

Along with third-party service providers, in those areas not open to retail competition, utilities should have the opportunity to propose charging infrastructure investments including being able to own and operate electric vehicle charging stations, with recovery of their costs and a reasonable return on capital investment, for Commission consideration. Further, any proposals the utilities may make should consider the impact on meeting customers' needs and ensuring customer protections.

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

No, operation of an electric vehicle charging station does not constitute a retail sale of electricity. Whether the charging station is owned by a utility or a third-party, what's being provided is a service, not a product – the ability to charge an electric vehicle's batteries. Only a portion of that cost is related to electricity consumed by the charging

station, which also includes equipment capital investment, real estate leasing charges (for station siting), marketing, and other costs – much like other services to the public that use significant electricity or other commodities as an integral part of their operations (such as a car wash that uses high volumes of electricity and water but are not considered resellers of those elements). Any statute or rule on this subject should be crafted in keeping with this principle – that selling battery charging services is not a resale 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?**

SPS does not provide electric service in the Texas competitive electric market. Therefore, this question is not applicable to SPS and SPS has no response to this question.

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?**

SPS does not provide electric service in the Texas competitive electric market. Therefore, this question is not applicable to SPS and SPS has no response to this question.

Respectfully submitted,

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