



Control Number: 49125



Item Number: 48

Addendum StartPage: 0



PROJECT No. 49125

**REVIEW OF §
ISSUES §
RELATING TO §
ELECTRIC
VEHICLES**

**PUBLIC
UTILITY
COMMISSION
OF TEXAS**

**THE TEXAS PUBLIC POWER ASSOCIATION'S RESPONSE TO COMMISSION
STAFF'S SECOND REQUEST FOR COMMENTS**

I. Background

The Texas Public Power Association (TPPA)¹ and its members recognize and welcome the ongoing expansion of electric vehicles and are evaluating the required infrastructure investments to serve this class of vehicles. Municipal Owned Utilities (MOUs) have an important role in extending infrastructure to serve the fueling needs of electric vehicle drivers and the emerging needs of electric vehicle fleets. As demonstrated in responses to questions by the Commission filed in this project in February, the conversation surrounding the expansion of electric vehicles has shifted from a conversation about whether there will be widespread adoption of electric vehicles to an investigation of the infrastructure policies to accommodate electric vehicles. As the electric vehicle industry is just beginning this anticipated scaling transformation, the Texas regulatory framework should be sufficiently flexible and dynamic to accommodate an array of innovations and charging service models.

Outlets for electric vehicle fueling are already becoming more widely deployed throughout the service territories of TPPA's member utilities. In those communities, the charging business model takes differing forms: 1) Electric vehicle charging stations are owned by a MOU providing services to the travelling public; 2) customer-facing businesses—for example, an office park or grocer—may own charging stations located behind a commercial meter that are operated in conjunction with a MOU; 3) some MOUs are partnering with third-party charging station operators to extend public fueling services; and, 4) electric vehicle charging stations are owned and operated by a third-party, independent of the MOU. Each of the approaches meets the unique needs of the charging station operators and the drivers receiving electric vehicle fueling services. The members of TPPA support the development of new charging technologies and the continuing evolution of multiple business models for vehicle fueling services.

¹ TPPA is the statewide association for the 72 Municipal Owned Utilities operating in Texas. Collectively, TPPA's members provide electric service to more than 5 million Texans or approximately 15 percent of the State's population. In addition to MOUs, TPPA membership includes several joint action agencies, river authorities and electric cooperatives.

TPPA has developed a statement of policy principles on provision of electric vehicle fueling infrastructure models with the input of its members. The responses of TPPA in Section II to the questions posed by the Commission in this project are based on these emerging policy principles:

- TPPA and its members recognize the ongoing expansion of electric vehicles and are preparing for the likely infrastructure investments required to accommodate electric vehicle ownership growth.
- The regulatory framework supporting electric vehicle fueling in the State should promote innovation and accommodate multiple models.
- An electric vehicle charging station may be owned and operated by a MOU or a third party.
- An electric vehicle charging station may be installed behind the meter of a commercial establishment.
- An electric vehicle charging station, or a set of multiple charging stations at a single point of interconnection, may be established as a separately metered customer.
- In an area served by an MOU, the transaction between the MOU and an owner/operator of a public charging station is a retail sale of electricity. The transaction between an owner/operator of a public charging station and an EV driver is a fueling service.
- A separately metered electric vehicle charging station located in the service territory of a MOU must purchase electricity at retail from the MOU.
- Extension of electric infrastructure to serve an electric vehicle charging station within a MOU service territory can be provided through a MOU's line extension policy or facilities extension policy as contributions in aid of construction for costs of materials and labor associated with the connection and energization.
- An MOU may establish a tariff for provision of retail electric service to owners/operators of separately metered electric vehicle charging stations.
- Terms for the provision of electric vehicle fueling services to an electric vehicle driver or fleet operator may be set by the owner/operator of the electric vehicle charging station providing fueling services.

II. Responses to Commission Staff Questions

Question 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?

TPPA takes no position on the types of entities that should be permitted to own or operate an electric vehicle charging station in a competitive area.

The experience of the municipal community in providing service to electric vehicle charging stations suggests, however, that the ownership structure in the territory of a MOU should remain flexible and dynamic to promote innovation and accommodate multiple market models. As demand for electric vehicle fueling services grows throughout the State, the members of TPPA are

adopting a variety of business models to meet the demand, as previously stated. In some instances, electric vehicle charging stations are owned and operated by a MOU. In other cases, the MOU is partnering with local businesses to establish behind the meter charging stations on site. In some territories, MOUs are working with third-party public charging providers to extend public charging opportunities to drivers and vehicle fleets. Public charging stations owned by third-party charging station operators are deploying in MOU service territories across the State.

In each instance, MOUs are shaping a solution that works best for the utility, charging station owners and operators, the electric vehicle driver and existing utility customers. Additionally, TPPA concludes that an MOU that has adopted any of the above market models, continues to retain the right to be the sole provider of electricity in its certificated service area.²

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

The sale of electricity to the owner/operator of a public electric vehicle charging station is a retail sale of electricity, while the transaction at the public charging station to an electric vehicle driver should be classified as an electric vehicle fueling service, not a retail sale of electricity. The Public Utility Regulatory Act (PURA) defines a “Retail Customer” as a “separately metered end-use customer who purchases and ultimately consumes electricity.”³ An electric vehicle is not a “separately metered” customer, and thus, the sale of electric vehicle fueling service to an electric vehicle driver is not a retail sale. An electric vehicle charging station or a set of multiple charging stations at a single point of interconnection, however, may be a “separately metered” customer. The sale of electricity from a MOU to the owner/operator of a public electric vehicle charging station should be classified as a retail sale of electricity, while the transaction between the charging station and the electric vehicle driver should be considered an electric vehicle fueling service.

Question 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?

TPPA has no response to Question 3 at this time.

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?

TPPA has no response to Question 4 at this time.

² Public Utility Regulatory Act, Tex. Util. Code Ann. § 40.052 (West 2007 & Supp. 2019) (PURA).


³ See *id.*, § 31.002 (16).

III. Conclusion

The Texas Public Power Association appreciates the opportunity to submit responses to the Commission's questions for consideration in the ongoing project on electric vehicle infrastructure policy. TPPA looks forward to working with the Commission, its staff, and the stakeholders on these important electrification of transportation policy questions affecting the municipal community, the State, and all electric customers.

August 28, 2020

Respectfully submitted,



Russell T. Keene
Executive Director
Texas Public Power Association
701 Brazos Street, Suite 495
Austin, TX 78701
(512) 472-5965
RKeene@TPPA.com