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PUC PROJECT NO. 49125

**REVIEW OF ISSUES RELATING TO
ELECTRIC VEHICLES**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

FIRST ADDITIONAL COMMENTS OF TEXAS-NEW MEXICO POWER COMPANY

Texas-New Mexico Power Company (“TNMP”) submits these comments on the rulemaking project to review issues relating to electric vehicles.

Initial Statement and General Comments

TNMP appreciates the opportunity to comment on the rulemaking project to review issues relating to electric vehicles. TNMP readily provides the following comments to the questions proposed by Commission Staff and looks forward to participation in the scheduled workshop on this project.

Additional 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: Given the developing nature of the electric vehicle market, TNMP limits its response to competitive areas. While the number of electric vehicles in Texas is expected to grow, the pace of such growth is not known. In fact, electric vehicle usage may actually vary from one part of the State to another. Under such circumstances, the Commission may want to avoid limiting the type or types of entities that are permitted to own or operate an electric vehicle charging station (“EV charging station”) until the market matures.

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

RESPONSE: TNMP views retail charging stations as providing a service and not a sale or resale of electricity. It should be no different than certain public device charging stations. Though such stations may be offered as a free amenity, others are operated as a vending machine requiring a payment for the service. Electronic vehicle charging stations provide an identical service, albeit on a different scale. TNMP supports any rulemaking at the Commission or related efforts to clarifying the Public Utility Regulatory Act deemed necessary to eliminate any ambiguity regarding the nature of the service provided by an EV charging station.

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: TNMP understands that supporting electric vehicle use is generally favored. Consequently, utility cost recovery for infrastructure investment related to EV charging stations that reduces negative cost incentives appears most appropriate for stations intended to serve the public. In such circumstances, TNMP suggests that EV charging station infrastructure investment could be treated like general system benefit investment for which the utility does not charge the customer for any portion of the costs. Instead, the utility recovers such investment either through a distribution cost recovery factor or a general rate proceeding. This policy could be implemented by modifying the facility extension provisions of a utility's tariff to either exclude EV charging stations or provide for a separate Facility Extension Agreement for such extension requests.

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.

Conclusion

TNMP appreciates the opportunity to respond to the questions proposed in this Project and reserves the right to supplement its comments as appropriate.

Respectfully submitted,

/s/ Scott Seamster _____

Scott Seamster
State Bar No. 00784939
Associate General Counsel
TEXAS-NEW MEXICO POWER COMPANY
577 N. Garden Ridge Blvd.
Lewisville, Texas 75067
Tel: 214-222-4143
Fax: 214-222-4156
scott.seamster@pnmresources.com

**ATTORNEY FOR TEXAS-NEW
MEXICO POWER COMPANY**