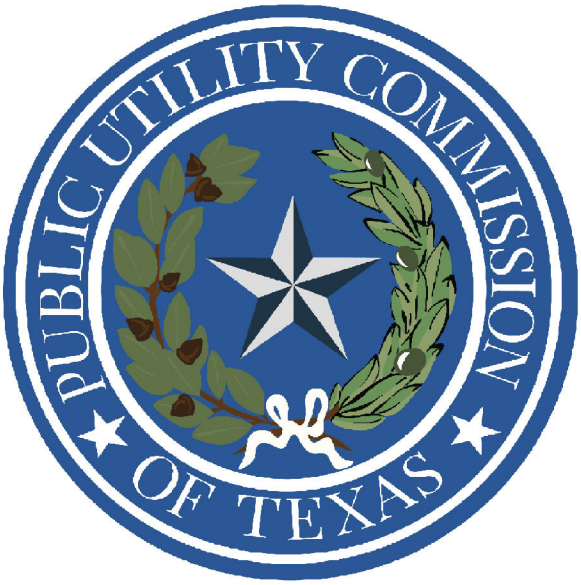

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APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES	**§** **§** **§**	**BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARING**

DIRECT TESTIMONY

OF

JUSTIN D. WILSON

ON BEHALF OF CHARGEPOINT, INC.

October 26, 2022

I. Introduction and Summary of Recommendations.

Q: Please state your name.

A: My name is Justin D. Wilson.

Q: By whom are you employed and in what position?

A: I am Director of Utility Partnerships and Regulatory Affairs at ChargePoint, Inc. (ChargePoint).

Q: Please describe your current role and your relevant professional experience.

A: In my current role, I direct ChargePoint's participation in utility programs and our regulatory efforts in North America. I engage on behalf of ChargePoint at utility regulatory commissions and other state agencies to promote public policies that expand electric vehicle infrastructure and advance best practices within the electric vehicle charging industry. I received a bachelor's degree in Public Administration from the University of Arkansas and a master's degree in Public Administration from the University of Colorado Denver. My relevant professional experience appears in my CV, which is attached as Exhibit JDW-1.

Q: Please describe ChargePoint.

A: ChargePoint is a world leading electric vehicle (EV) charging network, providing scalable solutions for every charging scenario from home and multifamily to workplace, parking, hospitality, retail, and transport fleets of all types. ChargePoint's cloud subscription platform and software-defined charging hardware is designed to enable businesses to support drivers, add the latest software features and expand fleet needs with minimal disruption to overall business.

ChargePoint's hardware offerings include Level 2 (L2) and DC fast charging (DCFC) products, and ChargePoint provides a range of options across those charging levels for specific use cases including light duty, medium duty, and transit fleets, multi-unit dwellings, residential (multi-family and single family), destination, workplace, and more. ChargePoint's software and cloud services enable EV charging station site hosts to manage charging onsite with features like Waitlist, access control, charging analytics, and ETI-time availability. With modular design to help minimize downtime and make maintenance and repair more seamless, all products are also UL-listed and CE (EU) certified, and Level 2 solutions are ENERGY STAR® certified.

ChargePoint's primary business model consists of selling smart charging solutions directly to businesses and organizations while offering tools that empower station owners to deploy EV charging designed for their individual application and use case. ChargePoint provides charging network services and data-driven, cloud-enabled capabilities that enable site hosts to better manage their charging assets and optimize services. For example, with those network capabilities, site hosts can view data on charging station utilization, frequency and duration of charging sessions, set access controls to the stations, and set pricing for charging services. These features are designed to maximize utilization and align the EV driver experience with the specific use case associated with the specific site host. Additionally, ChargePoint has designed its network to allow other parties, such as electric utilities, the ability to access charging data and conduct load management to enable efficient EV load integration onto the electric grid.

Q: What is the purpose of your Direct Testimony?

A: The purpose of my Direct Testimony is to provide ChargePoint's analyses and recommendations regarding Entergy Texas, Inc.'s (ETI or the Company) proposed Transportation Electrification and Infrastructure (TECI-1) and Transportation Electrification and Charging Demand Adjustment (TECDA-1) Riders. Additionally, my Testimony will address the specific issues posed by the Public Utility Commission of Texas (Commission) in its preliminary order related to transportation electrification and the proposed riders.[1]

Through the TECI-1 Rider, ETI proposes to partner with non-residential customers to install EV charging infrastructure and equipment on customers' property.[2] ETI would construct, own, operate, and maintain only the portion of the charging infrastructure and equipment that the customer does not want to own and/or maintain itself, up to and including the actual charging equipment.[3] ETI proposes to recover the cost of providing charging infrastructure equipment from each participating customer through a fixed payment on the customer's electric bill for an agreed-upon term (1-10 years) plus any annual O&M costs incurred by ETI.[4]

Additionally, ETI proposes the TECDA-1 Rider to provide demand charge relief and reduce electric bill uncertainty for non-residential customers installing EV charging infrastructure on new, separately metered electric service under Rate Schedule GS.

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[1] *See* p. 15 of the Public Utility Commission of Texas' Preliminary Order, filed July 27, 2022.
[2] Direct Testimony of Samantha F. Hill at 8.
[3] *Id.*
[4] *Id.*

Q: Please summarize your recommendations to the Commission.

A: I recommend that the Commission:

- With respect to Issue 68, the Commission should find that it is appropriate for utilities to own make-ready infrastructure to support EV chargers. The Commission should also find that it is appropriate for utilities to have limited ownership of EV chargers, provided that site hosts may choose their preferred EV charging equipment and network service provider and have the ability to set pricing to EV drivers.
- With respect to Issue 69, direct ETI to allow site hosts that participate in TECI-1 Rider to choose their preferred charging equipment and network services provider.
- Direct ETI to ensure that all marketing and educational materials for the TECI-1 Rider are vendor neutral.
- Approve the TECDA-1 Rider with the following modifications:
    - Remove the five-year limitation on customer participation.
    - Increase the proposed cap on participating EV charging load from 30,000 kW to 50,000 kW.
    - Allow all separately metered charging sites that meet the applicable load requirements to participate in the TECDA-1 Rider, regardless of when the charging site became operational.
- Direct Entergy to propose a long-term EV charging rate that provides an alternative to traditional demand-based rates as a part of its next rate case.

II. Utility Role in Transportation Electrification.

Q: What will you address in this section of your testimony?

A: In this section of my testimony, I will discuss Issue 68 outlined by the Commission in its Preliminary Order regarding whether it is appropriate for electric utilities to own transportation electrification and charging infrastructure.[5]

Q: What was Issue 68 outlined in the Commission's August 4, 2022, Preliminary Order?

A: Issue 68 from the Commission's August 4, 2022, Preliminary Order asks whether it is "appropriate for an electric utility in a vertically integrated area to own vehicle charging facilities or other transportation electrification and charging infrastructure, or should the ownership of such facilities be left to competitive providers?"

Q: With respect to Issue 68, does ChargePoint view electric utility ownership of vehicle charging facilities or other transportation electrification and charging infrastructure to be appropriate?

A: Yes, limited ownership of EV charging facilities may be appropriate provided certain conditions are in place. As the monopoly utility, ETI is uniquely positioned to support transportation electrification, which will support and encourage EV adoption. But certain checks and balances are necessary to prevent harm to the competitive market, which I will discuss below. If ETI uses its unique position as the utility to *support* the competitive market, rather than compete with the competitive market, limited utility ownership of charging equipment and infrastructure can benefit customers as an additional option.

[5] *See* p. 15 of the Public Utility Commission of Texas' Preliminary Order, filed July 27, 2022.

Q: How could utility ownership of charging stations and infrastructure impact the competitive EV charging market?

A: EV charging is a service primarily provided by non-utilities, including both dedicated EV charging service providers and other commercial site hosts[6] that offer charging services to complement their primary businesses, such as convenience stores, restaurants, and retailers. Notably, these site hosts, who invest their own capital to offer EV charging services, are also utility customers.

As competitive businesses, site hosts must recover the cost of providing EV charging services either through the charges paid by EV drivers or by supporting sales of their primary products or services, such as a coffee shop that attracts more patrons by installing EV chargers in its parking lot, or both. These competitive pressures influence many aspects of a site hosts' deployment decisions, including how many chargers to install, where to install them, which equipment vendor and network service provider to use, and how much to charge EV drivers. As regulated monopolies, utilities do not face these same competitive pressures because they can recover all or a portion of the cost of providing EV charging stations and infrastructure from their ratepayers.

Utility ownership of EV charging stations and infrastructure can also distort the competitive market through the utility's procurement process. As discussed above, in a competitive market, site hosts choose the equipment vendor and network service provider for the chargers deployed on their property, and this decision is often influenced by the site

[6] "Site host" refers to the owner or lessor of the property on which an EV charging station is located. Site hosts include residential customers; owners of multifamily housing units (MFH); commercial customers that offer charging to the public, their customers, and/or their employees; fleet owners; and government entities.

hosts' unique needs and preferences. These competitive pressures in turn motivate EV charging equipment vendors and network service providers to compete to provide innovative products and services and a variety of choices to site hosts at competitive prices. By contrast, a utility may procure a single equipment provider and single network service provider for all chargers that the utility will own and operate, regardless of the site host's needs and preferences. When a utility removes a site host's ability to choose their preferred equipment and network service provider, it significantly dampens competition and innovation.

Q: What is "make-ready" infrastructure and why is it important?

A: A common and effective model of utility investment in transportation electrification is for the utility to provide make-ready infrastructure for non-utility site hosts. Under the make-ready model, the utility provides (either directly or through an incentive payment) all of the wiring, conduit, trenching, and civil construction work on both the customer-side and the utility-side of the meter needed to provide power to the EV chargers, which are owned and operated by the site host. Make-ready incentive programs are very common around the country and have proven effective at encouraging deployment of public EV charging, as well as Level 2 chargers and DCFCs designed for other use cases such as fleets, workplaces, and multi-family housing. Examples include Consumer's Energy and DTE in Michigan, Atlantic City Electric and Public Service Electric and Gas in New Jersey, and Eversource

and National Grid in Massachusetts, AEP in Ohio.[7] Additionally, the states of New York and Connecticut implemented statewide make ready programs for all utilities doing business in their states.[8]

A make-ready model provides several advantages over direct utility ownership of chargers. First, by significantly reducing the cost of installing chargers, a utility make-ready program encourages site hosts to deploy chargers for the benefit of EV drivers. Second, because site hosts share in the total cost of installing chargers, site hosts are invested in the chargers' success. Third, because the utility is not paying the total cost of deployment, a given budget can support a larger total number of chargers. Fourth, a make-ready model avoids the market distortions that arise from a utility offering a competitive service while recovering revenue shortfalls from ratepayers discussed earlier. Finally, by providing site hosts with a choice of equipment and network service provider, make ready

[7] *See, e.g.*, I/M/O the Application of Consumers Energy Company for the Authority to Increase its Rates for the Generation and Distribution of Electricity and for Other Relief. MI PSC Case No U-20134 (January 9, 2019); I/M/O the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief. MI PSC Case No. U-20697 (December 17, 2020); I/M/O the application of DTE Electric Company for authority to increase its rates, rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority; I/M/O the Petition of Atlantic City Electric Company for Approval of a Voluntary Program for Plug-In Electric Vehicle Charging, BPU Docket No. EO18020190 (Feb. 17, 2021); I/M/O the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Electric Vehicle and Energy Storage Program on a Regulated Basis, BPU Docket No. EO18101111 (Feb. 3, 2021); Case No. U-20162 (May 2, 2019); Massachusetts Department of Public Utilities. Docket 17-05. "Order Establishing Eversource's Revenue Requirement." November 30, 2017; Massachusetts Department of Public Utilities. "Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for Approval of its Electric Vehicle Market Development Program, and of its Electric Vehicle Market Development Program Provision, pursuant to G.L. c. 164, §§ 76, 94, and Acts of 2016, c. 448." Docket 17-13 (September 10, 2018); I/M/O the Application of Ohio Power Company for Authority to Establish A Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan, PUCO Docket 16-1852-EL-SSO (April 25, 2018);

[8] *See*, Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs, NYPSC Case 18-E- 0138 (July 16, 2020); Docket No. 17-12-03RE04, PURA Investigation into Distribution System Planning of the Electrical Distribution Companies – Zero Emission Vehicles, Decision (July 14, 2021).

programs stimulate competition, innovation, and increased customer choices in EV charging services, which benefits EV drivers.

Q: Does ETI propose to include the make-ready model of utility investment?

A: Yes, ETI proposes to include make-ready infrastructure located between the Company's distribution system and the charger itself.[9] However, ETI's proposal is different from the examples above and the type of make-ready program I described above. In the most effective make-ready programs, the utility pays for the cost of make-ready infrastructure and socializes the costs amongst its ratepayers. By contrast, through its TECI-1 Rider, ETI proposes to recover the costs of make-ready infrastructure directly from the site host over time. While ChargePoint supports ETI's proposal to install make-ready infrastructure for site hosts and recover the costs over time, treating make-ready costs the same as other distribution system costs would be an even more effective way to support transportation electrification and charger deployment.

Q: Please explain why you have provided this discussion of utility make-ready programs.

A: I have provided this discussion because utility make-ready investments are one of the most effective ways that utilities can support transportation electrification without risk of distorting the competitive EV charging market. ChargePoint does not object to ETI's proposal to own EV charging stations subject to certain conditions I will discuss below. ChargePoint also supports the make-ready portion of ETI's proposal. However, to the extent the Commission is concerned by ETI's proposed TECI-1 Rider, it should direct ETI to develop the type of make-ready program that I have described, in which ETI would

[9] Direct Testimony of Samantha F. Hill at 8.

provide make-ready infrastructure to customers that install EV charging stations and recover the costs of such make-ready in the same way it recovers other distribution system costs.

Q: How can the Commission ensure that ETI's participation in the competitive EV charging market supports and does not distort the competitive market?

A: The Commission should ensure that ETI allows site hosts to choose the charging equipment and the network service provider for EV charging equipment and infrastructure and to set pricing and pricing policies for EV charging. I will discuss this recommendation in more detail in the next section of my testimony.

Q: Please explain why allowing site hosts to choose the charging equipment and network services provider is important.

A: Customer choice is the critical program design element that allows customers to enjoy the benefits of competition, including innovation, cost-competitiveness, and a variety of products and services to satisfy the needs and preferences of various site hosts. Allowing site hosts to choose the charging equipment and network service provider allows competitive dynamics to function and avoids the worst market distortions that can occur when a utility begins providing services in a competitive market. Ensuring that site hosts can choose the charging solution that works best for them ensures that the competitive dynamics that exist in the absence of a utility program will function within the confines of the utility program, to the benefit of customers.

Q: Please explain why allowing site hosts to set pricing and pricing policies for EV charging is important.

A: Site hosts install EV charging stations for a wide variety of reasons and to support a wide variety of goals. Allowing site hosts to determine the prices to charge EV drivers and to set pricing policies (such as dwell charges that apply after a vehicle is finished charging) is critical to empowering site hosts to achieve their unique goals. For example, a big box retailer may want to offer free charging for the first hour to encourage EV drivers to visit the store and do some shopping and then begin charging a nominal fee to encourage them to make the charger available to other EV drivers. A multi-family housing owner may want to offer free charging to tenants but charge a fee to visitors. A school may want to charge a low fee during school hours for teachers and staff and a higher fee during other hours for visitors using the school's soccer field. To support these diverse goals, site hosts must be able to set the prices charged to EV drivers, even if the utility owns the EV charging station.

Q: Based on this discussion, what do you recommend with respect to Issue 68?

A: ChargePoint recommends that the Commission find that it is appropriate for utilities to own make-ready infrastructure to support EV chargers. The Commission should also find that it is appropriate for utilities to have limited ownership of EV chargers, provided that site hosts may choose their preferred EV charging equipment and network service provider and set the prices charged to EV drivers.

III. Entergy's proposed Rider TECI-1.

Q: What will you address in this section of your testimony?

A: In this section of my testimony, I will address the Commission's Issue 69 and Entergy's proposed TECI-1 Rider.

Q: What was Issue 69?

A: Issue 69 from the Commission's August 4, 2022, Preliminary Order asks: "Should Entergy be allowed to own transportation electrification and charging infrastructure – including vehicle-charging facilities – in the manner it has proposed in its application, or should such ownership be wholly left to customers or third parties?"

Q: Please summarize ETI's proposed TECI-1 Rider.

A: ETI is proposing to offer non-residential customers the flexibility to choose the desired level of investment in TE infrastructure and equipment, up to the option of a utility "turn-key" TE solution, through proposed TECI-1 Rider.[10] According to ETI, it plans to partner with non-residential customers to plan TE-related infrastructure and equipment on customer property for their own, or public, use.[11] ETI states that it would construct, own, and maintain the portion of the infrastructure and equipment that the customer does not want to own and maintain. In addition, ETI would add the cost for the equipment, installation, and ongoing O&M to each customer's monthly electric bill as a fixed payment.[12]

[10] Direct Testimony of Samantha F. Hill at 8.
[11] *Id.*
[12] *Id.* at 9.

Q: How did ETI develop the rates it would charge customers that participate in TECI-1 Rider?

A: According to ETI, percentage-based rates under TECI-1 Rider were developed by calculating level monthly payment percentages to be applied to the investment made by the Company using its pre-tax weighted-average cost of capital along with insurance and property tax. ETI calculated the level monthly payment percentage for the Recovery Term period between 1 year and 10 years.[13] Further, ETI notes that the Recovery Term and associated percentage would apply monthly to the infrastructure investment made by the Company net of any adjustments.[14] ETI also states that project-specific inputs such as O&M expenses will be addressed separately for each installation.[15]

Q: How did ChargePoint analyze ETI's proposed TECI-1 Rider?

A: Similar to my discussions above regarding vertically integrated electric utility ownership of EV equipment and infrastructure, ChargePoint analyzed the TECI-1 Rider to determine whether it can be expected to support the competitive EV charging market and the benefits that competition provides, including innovation, cost-competitiveness, and increased customer choices. ChargePoint has issued discovery requests to ETI seeking further details about site hosts' options in TECI-1 Rider. ChargePoint plans to supplement the record with ETI's responses as appropriate in our surrebuttal testimony.

[13] *Id.* at 17.
[14] *Id.*
[15] *Id.*

Q: Does TECI-1 Rider create competition concerns?

A: Potentially. Through the TECI-1 Rider, ETI proposes to provide make-ready infrastructure and potentially charging equipment to interested customers and charge customers for the cost of the infrastructure and equipment ETI installs through a new fixed monthly charge on participating customers' bills. These are activities currently being performed by competitive market providers. Specifically, ETI's proposal to provide infrastructure and potentially charging equipment is equivalent to a turn-key installation service offered by many non-utility service providers. ETI's proposal to recover the costs it incurs to install a customer's desired amount of infrastructure and equipment through an on-bill fixed charge over a term chosen by the customer (between 1-10 years) is functionally equivalent to a financing offering also offered by many non-utility service providers, except that the customer would not own the charging equipment at the end of the payment term (unless the Customer Agreement is terminated after the initial ten year term and ETI decides to abandon the equipment in place).

Q: Does ChargePoint support ETI's proposal?

A: Yes, generally. Even though the services ETI would provide through the TECI-1 Rider are being provided by the competitive market, ChargePoint does not object to ETI providing such services if the Commission ensures that site hosts can choose the equipment and network service provider for any chargers that ETI installs on a site host's property. Based on discovery responses from ETI on this issue, ETI intends to prequalify EV charging

equipment vendors and allow site hosts that participate in the TECI-1 Rider to choose their preferred equipment from a list of qualified vendors.[16] ChargePoint supports this approach.

Q: Why is it important that site hosts are able to choose the equipment and network service provider for EV chargers?

A: Similar to my discussion above with respect to a vertically integrated electric utilities' ownership of EV chargers and infrastructure, ensuring that site hosts can choose the charging equipment and network service provider that best meets their needs and preferences is essential to ensuring that utility investments in transportation electrification support and do not distort the competitive market. The site hosts that might be interested in TECI-1 Rider, such as fleet owners, retailers, local governments, and employers, have unique needs and preferences. In the competitive market, such site hosts choose the charging equipment and network service provider that best fits those needs and preferences. If ETI were to offer only a single equipment vendor and single network service provider through TECI-1 Rider, the site host's ability to choose the solution that best meets their needs and preferences would be removed. Selecting a single vendor and/or a single network service provider denies customers and EV drivers the benefits of competition. The Commission should ensure that TECI-1 Rider supports competition and the benefits that competition provides to customers.

[16] Exh. JDW-2.

Q: Does ETI's proposal include site host choice?

A: Yes, based on discovery responses from ETI, customers choosing to participate in Rider TECI-will have the option to select vendors from a prequalified list for the charging equipment installed.[17]

Q: How can the Commission ensure that TECI-1 Rider supports competition?

A: To ensure that TECI-1 Rider supports competition, the Commission should approve ETI's proposal to allow site hosts that participate in TECI-1 Rider to choose their preferred charging equipment and network services provider from a list of prequalified vendors. Because site host choice is a feature of the program, ChargePoint supports TECI-1 Rider.

Further, the Commission should also direct ETI to ensure that all marketing and educational materials that ETI develops to support TECI-1 Rider are vendor neutral. In order to ensure that site hosts have a meaningful choice between prequalified vendors, it is important that customers do not perceive ETI to be favoring some vendors over others. ETI personnel can discuss with customers the various options available to them, but any printed, written, or online materials ETI produces should be vendor neutral.

Q: Will site hosts that participate in TECI-1 Rider be permitted to set pricing for EV drivers?

A: Yes. ETI Witness Hill confirmed in testimony that there will be no restrictions on how a site host can use any EV charging equipment that ETI installs through TECI-1 Rider.[18]

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[17] Exh. JDW-2
[18] Hill Direct, p. 25.

Q: What do you recommend with respect to TECI-1 Rider?

A: ChargePoint recommends that the Commission approve TECI-1 Rider because site hosts will be able to choose their preferred charging equipment and network service provider. ChargePoint further recommends that the Commission direct ETI to ensure that all marketing and education materials for TECI-1 Rider are vendor neutral.

IV. Entergy's proposed TECDA-1 Rider.

Q: What will you address in this section of your testimony?

A: In this section of my testimony, I will address ETI's proposed TECDA-1 Rider.

Q: Please describe ETI's proposed TECDA-1 Rider?

A: ETI is proposing the TECDA-1 Rider to provide demand charge relief to customers with separately metered charging equipment taking service under Rate Schedule GS.[19] Under Rate Schedule GS, with the TECDA-1 Rider applied, the billed demand for a customer during a particular billing period would be the lesser of:

a) The measured demand (kW), as conventionally determined under Schedule GS; or

b) demand (kW) as calculated based on actual usage adjusted to a 15% load factor.[20]

Customers would automatically revert back to the standard rates under Schedule GS if charging site load factor above the monthly 15% load factor threshold. ETI states that this allows the TECDA-1 Rider to self-correct over time and is expected to "phase out" as load factor increases.[21] Witness Hill states that other than the adjustments to the billing demand, all other rates and charges under Schedule GS would remain the same.[22]

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[19] Hill Direct, p. 27.
[20] *Id.*
[21] *Id.*, p. 34.
[22] *Id.*

Q: Why is ETA proposing the TECDA-1 Rider?

A: ETI states that demand charges can represent a significant share of the electric bill for an EV charging station, particularly at low utilization levels, where high demand charges can result in a high "effective cost per kWh."[23] Further, ETI asserts that this can lead to prohibitively expensive costs to operate an EV charging station during the early phase of EV market growth, and lead to unpredictable electricity bills where the electricity rate far exceeds the revenue a station can receive from drivers.[24] Accordingly, ETI intends the TECDA-1 Rider to limit these potential negative impacts of demand charges on customers providing separately metered EV charging services and facilitate investment in EV charging infrastructure.[25]

Q: Do you agree with ETI's analysis on the impact that demand charges can have on providers of EV charging services?

A: Yes. For public charging sites, conventional commercial rate design often makes otherwise viable and desirable projects uneconomic. Demand charges present a large barrier to charging providers that operate high demand charging sites, and as Witness Hill notes, traditional demand-based electricity rates were designed to recover costs from non-residential customers that have consistently high load factors.[26] Many EV charging sites have sporadic sessions of high demand resulting in unpredictable utilization and lower load factors. This leads to situations where the demand-based (per kW) component of an EV charging site host's electricity bill is far higher than the volumetric (per kWh) component,

[23] *Id.*, p. 31.
[24] *Id.*
[25] *Id.*, pp. 38-39.
[26] *Id.*, p. 32.

driving up the "effective cost per kWh" for the site host. In some markets, demand charges can account for as much as 90% of a site host's electricity costs.[27] Under these circumstances it is incredibly difficult, if not impossible, for site hosts to recover their cost of providing EV charging services and even more difficult for a site host to create revenue from their investment. This can result in a large disincentive for potential site hosts to invest in EV charging infrastructure.

Q: Do you support ETI's proposed TECDA-1 Rider?

A: Yes, with minor modifications. ChargePoint appreciates ETI's thoughtful consideration of the challenges that demand charges can pose to EV charging site hosts and development of the proposed TECDA-1 Rider. If approved, the TECDA-1 Rider would provide meaningful relief from demand charges to site hosts and encourage greater investment in EV charging infrastructure. However, slight modifications to the proposal would increase the effectiveness of the TECDA-1 Rider and ensure that the proper level of support is provided to meet the future demand for EV charging.

Q: What aspects of the proposed TECDA-1 Rider should be modified?

A: First, ETI proposes to limit a customer to using the TECDA-1 Rider for a term of five years.[28] Second, ETI proposes to limit the availability of the TECDA-1 Rider to the first 30,000 kW of electric load that enrolls and becomes operational after the rider is approved.[29]

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[27] Rocky Mountain Institute, 2017. "EVgo Fleet and Tariff Analysis." Available at: https://rmi.org/wp-content/uploads/2017/04/eLab_EVgo_Fleet_and_Tariff_Analysis_2017.pdf.
[28] Hill Direct, p. 38.
[29] *Id.*

Q: Do you have any concerns with the proposed five-year limitation?

A: Yes. I am concerned that some site hosts will not experience sufficiently high utilization within the five-year term of the rider to overcome the economic challenges of the Schedule GS demand charges. It is likely that some high demand charging sites, such as those located in rural areas, will continue to experience low or sporadic utilization beyond the five-year term of the rider. At the end of the five-year term those charging sites would find themselves in the difficult position of reverting back to Schedule GS rates and facing the same challenges that the TECDA-1 Rider is intended to help overcome.

Q: Is the five-year limitation necessary to limit impacts of the TECDA-1 Rider on other customers?

A: No. The design of the Rider will help ensure that the benefits to participating customers is balanced with the potential impact to non-participants without the proposed five-year limitation. As Witness Hill describes, ETI has designed the Rider to be "self-correcting" with customers automatically reverting to the unadjusted Rate Schedule GS when a load factor of 15% is reached.[30] This design ensures that customers who require demand charge relief through Rider TECDA-1 will continue to receive support, while sites that are experiencing sufficient utilization to reduce the effective price per kWh to reasonable levels will naturally drop off the rider. Even without the five-year limitation, the number of customers participating in the Rider may naturally decrease over time ensuring any potential impact to non-participating customers remains minimal while continuing to provide demand charge relief to customers that need it.

[30] *Id.*

Q: Do you have any concerns with the proposal to limit the availability of the TECDA-1 Rider to the first 30,000 kW of electric load that enrolls and becomes operational?

A: Yes. I am concerned that capping participation to 30,000 kW would not provide enough support to meet the demand for EV charging services. The Electric Reliability Council of Texas (ERCOT) estimates that there will be one million EVs on the road in Texas by 2028,[31] a dramatic increase compared to the 134,000 EV registered in the state as of July 5, 2022.[32] This rapid increase of EV adoption will result in a sizable increase in the demand for EV charging services and necessitate rapid deployment of charging sites within the State. Using the National Electric Vehicle Infrastructure Formula Program (NEVI) site requirements of 600 kW of connected charging per site as a benchmark,[33] the TECDA-1 Rider would cap enrollment at just 50 charging sites. While the EV charging load at a particular site will vary depending on the number and power level of the charging stations located at the site, this demonstrates that relatively few sites could cause the 30,000 kW limit to be reached. Accordingly, the proposed 30.000 kW limit should be increased to ensure that customer needs are properly met.

[31] https://ftp.txdot.gov/pub/txdot/get-involved/statewide/EV%20Charging%20Plan/TexasElectricVehicleChargingPlan.pdf, p.22.
[32] *Id.*, p. 19.
[33] *Id.*, p. 12.

Q: The TECDA-1 Rider would only be available to "a new, separately metered electric vehicle charging installation that becomes operational after the rider's effective date."[34] Do you have concerns with this limitation?

A: Yes. As ETI witness Hill states, "there are several DC fast charging stations in ETI's service area that are separately metered." Under the proposed terms for the TECDA-1 Rider, none of these charging sites would be eligible to take service under the rider. This would place the charging sites that have been deployed prior to the Rider going into effect at a competitive disadvantage and place an unnecessary restriction on rider participation. Site hosts that have proactively deployed charging sites face the same challenges as those who will deploy sites after the rider goes into effect and should have the same opportunity to participate in the TECDA-1 Rider.

Accordingly, I recommend that all separately metered charging sites that meet the load requirements be eligible to participate in the TECDA-1 Rider, regardless of when the charging site became operational.

Q: Are there other methods that ETI could pursue in the future to reduce the challenges that demand charges pose to high demand EV charging sites?

A: Yes. While Rider TECDA-1 represents a strong start in providing demand charge relief to customers who offer EV charging services, it is imperative that additional rates are developed to provide *long-term* demand-charge alternative rate options for EV charging stations, rather than limited rate offerings.

[34] *See* Exhibit SFH-2.

There are numerous examples of alternatives to traditional demand-based rate structures that are currently in effect, some of which are "technology neutral" enabling any commercial and industrial customer to take service on the applicable rate structure whether the customer operates an EV charging station or not. For example, Dominion provides a Low Load Factor Rate in Virginia that provides an all-volumetric, technology-neutral, low-load factor rate applicable to non-residential customers with load factors below 200 kWh per kW. This rate has been designed to recover the cost of service, including capacity costs that may traditionally be recovered through demand charges on an all-volumetric basis.[35]

Additionally, Eversource offers a Business EV Charging Service rate that provides a three-period time-of-use (TOU) rate option for non-residential customers for the exclusive use of charging electric vehicles. This rate eliminates the demand charge and has been designed to recover the majority of costs through volumetric energy charges but does include a small kW-based facility charge ($2.32/kW).[36]

Accordingly, I encourage the Commission and ETI to consider the development of long-term demand charge alternative rates for customers providing EV charging services.

Q: What do you recommend with respect to TECDA-1 Rider?

A: I recommend the Commission approve the TECDA-1 Rider with the following modifications:

1) Remove the five-year limitation on customer participation in TECDA-1 Rider.

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[35] *See* Schedule GS-2, available at https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/virginia/business-rates/schedule-gs2.pdf?la=en&rev=65c74050107549f299d48689f738e948&hash=7CBE70107AE10C66B8EB5C5A1E248D12.

[36] https://www.evergy.com/-/media/documents/billing/kansas-central/other/bevcs-business-ev-charging-service-12062021_03282022.pdf.

2) Increase the proposed cap on participating EV charging load from 30,000 kW to 50,000 kW;

3) Allow existing EV charging customers that meet the applicable load requirements to take service on TECDA-1 Rider.

Additionally, I recommend Entergy propose a long-term EV charging rate that provides an alternative to traditional demand-based rates as a part of its next rate case.

V. Conclusion and Recommendations.

Q: Please summarize your recommendations for the Commission.

A: I recommend that the Commission:

- With respect to Issue 68, the Commission should find that it is appropriate for utilities to own make-ready infrastructure to support EV chargers. The Commission should also find that it is appropriate for limited utility ownership of EV chargers provided that site hosts may choose their preferred EV charging equipment and network service provider.
- With respect to Issue 69, direct ETI to allow site hosts that participate in TECI-1 Rider to choose their preferred charging equipment and network services provider.
- Direct ETI to ensure that all marketing and educational materials for TECI-1 Rider are vendor neutral.
- Approve the TECDA-1 Rider with the following modifications:
  - Remove the five-year limitation on customer participation.
  - Increase the proposed cap on participating EV charging load from 30,000 kW to 50,000 kW.

- Allow all separately metered charging sites that meet the load requirements to participate in the TECDA-1 Rider, regardless of when the charging site became operational.

- Direct Entergy to propose a long-term EV charging rate that provides an alternative to traditional demand-based rates as a part of its next rate case.

Q: Does this conclude your testimony at this time?

A: Yes.

Justin Wilson

Employment History

ChargePoint, Inc., April 2019 - Present
Director, Utility Partnerships and Regulatory Affairs (2022-Present)
Responsible for ChargePoint's participation in utility programs and executing regulatory strategies to promote electric vehicle charging solutions for businesses, utilities, and electric vehicle drivers.

Director, Public Policy (2019-2022)
Responsible for developing and executing regulatory and legislative strategies to promote electric vehicle charging solutions for businesses, utilities, and electric vehicle drivers.

Wilson Political Solutions, LLC, 2018 - 2019
Owner/Member
Provide political and policy expertise to a wide-range of clients including clean energy trade associations and non-profit advocacy organizations.

Clean Energy Collective, 2016 – 2018
Director of Policy and New Markets
Responsible for leading the Company's state-based efforts to expand community solar programs across the U.S., engage federal policy makers on tax and trade issues, and serve as a policy expert on state regulatory matters.

Western Clean Energy Campaign, 2008 - 2016
Executive Director, 2008 - 2016
Responsible for organization's success in the development and implementation of strategies to transition the electric power system in the Western US from primary reliance on fossil fuels to a system advancing renewable energy technologies.

Grassroots Campaigns, Inc., 2004 – 2008
Lead Organizer
Responsible for the implementation of statewide and regional campaigns that educated voters on policy issues and encouraged participation in congressional and presidential elections.

Education

- University of Arkansas (Fayetteville, AR), 2003, B.S. in Public Administration
- University of Colorado Denver (Denver, CO), 2016, Masters in Public Administration, Environmental Policy, Management, and Law Concentration

SOAH DOCKET NO. 473-22-04394
PUC DOCKET NO. 53719

APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES	**§**	**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

RESPONSE OF ENTERGY TEXAS, INC.
TO CHARGEPOINT'S FIRST REQUEST FOR INFORMATION:
CHARGEPOINT 1:1

Entergy Texas, Inc. ("ETI" or the "Company") files its Response to ChargePoint's First Request for Information. The response to such request is attached and is numbered as in the request. An additional copy is available for inspection at the Company's office in Austin, Texas.

ETI believes the foregoing response is correct and complete as of the time of the response, but the Company will supplement, correct or complete the response if it becomes aware that the response is no longer true and complete, and the circumstance is such that failure to amend the answer is in substance misleading. The parties may treat this response as if it were filed under oath.

Respectfully submitted,

Kristen F. Yates

Kristen Yates
ENTERGY SERVICES, LLC
919 Congress Avenue, Suite 701
Austin, Texas 78701
Office: (512) 487-3962
Facsimile: (512) 487-3958

Attachments: **CHARGEPOINT 1:1**

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Response of Entergy Texas, Inc. to ChargePoint's First Request for Information has been sent by either hand delivery, electronic delivery, facsimile, overnight delivery, or U.S. Mail to the party that initiated this request in this docket on this the 25th day of October 2022.

Kristen F. Yates
Kristen Yates

ENTERGY TEXAS, INC.
PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 53719

Response of: Entergy Texas, Inc.	Prepared By: Samantha F. Hill
to the First Set of Data Requests	Sponsoring Witness: Samantha F. Hill
of Requesting Party: CHARGEPOINT	Beginning Sequence No. LR931
	Ending Sequence No. LR933

Question No.: CHPT 1-1 Part No.: Addendum:

Question:

Regarding ETI's proposed Rider TECI:

a. Please explain whether customers participating in Rider TECI may choose any EV charging equipment and any network service provider for any EV chargers installed on their property.

b. If customers participating in Rider TECI will be limited in their choices of EV charging equipment or network service provider, please specify and explain all applicable limitations.

c. Does ETI intend to preselect or prequalify EV charging equipment vendors or network service providers for Rider TECI?

d. If your response to subpart (c) above is "yes," please explain the process through which ETI selected or intends to select vendors for Rider TECI.

e. Will any technical standards apply to EV charging equipment installed through Rider TECI?

f. If your response to subpart (e) above is "yes," please specify all technical standards that would apply to EV charging equipment installed through Rider TECI.

g. Will ETI provide customers that participate in Rider TECI with vendor recommendations for EV charging equipment installed on their property through Rider TECI?

h. If your response to subpart (g) above is "yes," please explain how ETI will determine which vendors to recommend to customers participating in Rider TECI.

Response:

a. Customers choosing to participate in Entergy Texas, Inc.'s ("ETI") proposed Rider TECI-1 will have the option to select vendors from a pre-qualified list for the equipment installed under Rider TECI-1. A customer may choose not to participate in Rider TECI-1, in which case that customer may use any vendor for its charging infrastructure.
See also the Direct Testimony of Samantha F. Hill at pages 22-25.

b. ETI will have a pre-qualified list of vendors available from which customers can choose. The pre-qualified list will be determined in compliance with ETI's standard Request for Quotes ("RFQ") process.

c. See ETI's responses to subparts a. and b.

d. ETI will use an RFQ process, which will follow the standard procurement policy used for all of the Entergy Operating Companies.[1] ETI's procedures for obtaining competitive bids through an RFQ process include the following:

- A minimum of three bids shall be requested for competitive bidding.
- The Electronic Bidding System should be utilized for competitive bidding.
- Scope statements and specifications are gathered for preparation of RFQs.
- All RFQs must be issued to bidders by Entergy Services, LLC ("ESL")[2] Supply Chain using customary methods of solicitation. Such methods may be accomplished by written or electronic means.
- All bids must be received, opened, and recorded by ESL Supply Chain.
- Along with ESL Supply Chain, ETI will execute an evaluation process, providing any required technical evaluations. ESL Supply Chain will evaluate and negotiate any associated commercial terms.
- Supply Chain reserves the right to reject any or all bids.
- The final evaluation will also include various quantitative and qualitative considerations.

Questions in the RFQ process are generated based on two phases. During the Pre-Award phase, bidding teams engage in market research and planning activities that may generate questions within the bidding package, and bidders raise questions about the RFQ. During the Award Phase, once bidding responses are submitted, the evaluation team reviews and, from time to time, generates questions based on the bidder response deliverable.

[1] The Entergy Operating Companies ("EOCs") include Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc.

[2] ESL is a subsidiary of Entergy Corporation that provides technical and administrative services to all of the EOCs.

e. ETI is in the process of determining the necessary technical standards to be applied to Electric Vehicle charging equipment installed through Rider TECI-1.

f. See response to subpart e.

g. ETI will provide customers a list of pre-qualified vendors from which customers will make their selections.

h. ETI anticipates that customers will select the vendors to provide services under Rider TECI-1 based on their weighing of a variety of factors, including price, customer charging needs (including speed), desired location of the chargers, and desired functionality.