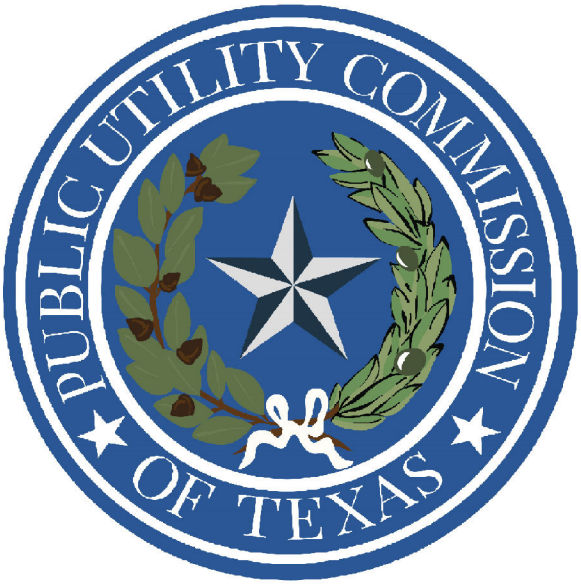

Filing Receipt

Received - 2022-11-15 03:06:48 PM
Control Number - 53719
ItemNumber - 319

Edison Electric INSTITUTE

Power by Association

VIA E-MAIL

November 15, 2022

Peter Lake
Chairman
Public Utility Commission of Texas
1701 N. Congress Ave., 7th Floor
Austin, Texas 78701

Re: Application of Entergy Texas, Inc. for Authority to Change Rates, Docket No. 53719

Dear Chairman Lake,

The Edison Electric Institute (EEI) respectfully submits this letter to the Public Utility Commission of Texas (Commission) in support of Entergy Texas's (Entergy) Petition in the above-referenced proceeding. EEI monitors electric vehicle (EV) proceedings across the country and appreciates the opportunity to provide the Commission with a national perspective on the integral role electric companies play in accelerating electric transportation through programs that deploy, incentivize, and provide rebates for charging infrastructure.

EEI is the association that represents all U.S. investor-owned electric companies. Our members operate in all 50 states and the District of Columbia and provide electricity for 235 million Americans. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. EEI's member companies, which include Entergy, deliver safe, reliable, affordable and increasingly clean electricity that powers the economy, transforms transportation through increased use of EVs, and enhances the lives of all Americans.

As of July 2022, 62 electric companies in 34 states and the District of Columbia have received regulatory approval to invest nearly **$3.7 billion** in EV programs.[1] This includes recent approvals in Nevada,[2] California,[3] Colorado,[4] and Florida,[5] which together account for more than $800 million in investment. The type of EV program can vary by state and electric company, but usually includes at least one of the following elements: (1) investments in, or ownership of, charging infrastructure; (2) customer rebates or incentives for all or part of charging infrastructure deployment; (3) customer education and outreach; and (4) rate design. Separately or working in tandem, these elements can unlock value for all customers by growing and making the EV market attainable for all participants, by helping to integrate EV charging into the energy grid in a cost-

[1] *See* Edison Electric Institute, "Electric Transportation State Biannual Regulatory Update: July 2022," https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Electric-Transportation/ET-Biannual-State-Regulatory-Update.pdf

[2] *See* Public Utilities Commission of Nevada, *Order Approving Economic Recovery Transportation Electrification Plan for the Period 2022-2024*, Docket No. 21-09004

[3] *See* Public Service Commission of the State of California, *Decision Authorizing Southern California Edison Company's Charge Ready 2 Infrastructure and Market Education Programs*, Application 18-06-015

[4] *See* Colorado Public Utility Commission, *Commission Decision Granting Application with Modifications,* Proceeding No. 20A-0204E

[5] *See* Florida Board of Public Utilities, *Decision and Order Approving Stipulation,* Docket No. 20210015-EI

effective manner, and by driving outcomes that protect customer interests while maximizing customer value.

Electric companies, such as Entergy, are well-positioned to make targeted and strategic investments in EV charging infrastructure that benefit the broader community and accelerate EV adoption. Texas is currently one of the largest markets for EVs with the 4th highest EV sales among all states and is projected to remain a market leader in the coming years.[6] The Electric Reliability Council of Texas (ERCOT) projects that there will be 1 million EVs on the road in Texas by 2028.[7] Supporting this number of EVs would require roughly 5,000 public DC fast chargers (DCFC) and more than 110,000 public Level 2 chargers based on EEI's charging infrastructure projections.[8] The current number of public DCFC and Level 2 chargers in Texas would need to quadruple to reach those figures.[9] Public funding such as the National Electric Vehicle Infrastructure (NEVI) program will help to bridge the gap, but EEI projects that NEVI will only provide funding for roughly 20,000 of the 140,000 public DC fast charging stations needed across the nation and will not address the Level 2 charging gap at all.[10] The need for charging infrastructure in Texas and across the U.S. is significant and electric company investment, including direct ownership of charging infrastructure, should be one of tools used to fulfill this need. The programs proposed in Entergy's filing focus on the rapid deployment of charging infrastructure and will help ensure that the transition to EVs is a seamless one for Texans. A decision to limit the scope of the current or future programs proposed by Entergy now in favor of a more limited model of electric company investment in electric transportation may unintentionally and unnecessarily delay the market's growth.

As a matter of policy, electric companies should not be prohibited from owning charging infrastructure. Doing so would eliminate any potential for electric companies to provide necessary investments for their customers and would severely restrict the potential for proliferation of EVs in Texas, particularly in underserved and unserved areas with low rates of EV adoption such as rural communities that have not attracted private investment from third-party charging providers. EVgo, the largest provider of open-network public fast charging in the U.S., explicitly recommends electric company ownership of charging infrastructure in these areas as part of its best practices for EV market development.[11] The Commission has the authority to determine the scope and scale of any proposed future investments and a blanket prohibition on electric company ownership of charging infrastructure at a time when this infrastructure is needed most will needlessly remove that flexibility. The possibility of electric company ownership of charging infrastructure in no way prohibits third parties from owning and operating public charging, but prohibiting electric company ownership would exclude companies with proven, long-standing expertise in the deployment of electric infrastructure from helping to support the

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[6] *See* Atlas EV Hub, "State EV Sales Dashboard," November 2022, https://www.atlasevhub.com/materials/automakers-dashboard/

[7] *See* Texas Department of Transportation, Texas Electric Vehicle Infrastructure Plan, July, 2022, available at https://ftp.txdot.gov/pub/txdot/get-involved/statewide/EV%20Charging%20Plan/TexasElectricVehicleChargingPlan.pdf

[8] *See* Edison Electric Institute, Electric Vehicle Sales and the Charging Infrastructure Required Through 2030, June 2022, available at https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Electric-Transportation/EV-Forecast--Infrastructure-Report.pdf

[9] Alternative Fuels Data Center, "Electric Vehicle Charging Station Locations", https://afdc.energy.gov/fuels/electricity_locations.html#/find/nearest?fuel=ELEC

[10] *See* Edison Electric Institute, Electric Vehicle Sales and the Charging Infrastructure Required Through 2030, June 2022, available at https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Electric-Transportation/EV-Forecast--Infrastructure-Report.pdf

[11] *See* EVgo, Best Practices For Electric Vehicle Market Transformation, October 23, 2019, https://site-assets.evgo.com/f/78437/x/c54282fda7/evgo_whitepaper_utilitybestpractices_oct2019.pdf

nascent public charging market. As a founding member of EEI's National Electric Highway Coalition (NEHC), Entergy has long demonstrated their commitment to ensuring that current and future EV drivers have access to a foundational network of EV charging stations. Through this coalition, Entergy is leveraging the knowledge and resources of other NEHC members to ensure that infrastructure is deployed efficiently and effectively, as well as connecting to third parties that are interested in partnering with electric companies to host or own charging infrastructure.

The focus on the electric company role in charging infrastructure deployment generally pertains to public DCFC, but this ignores the vital role electric companies play in the provision of other types of charging infrastructure, including Level 2 charging infrastructure. The majority of the collective $3.7 billion in approved investment in electric transportation from investor-owned utilities is focused on providing support for Level 2 charging, with more than $770 million being dedicated to underserved communities.[12,13] Public DCFC will play a critical role in ensuring EV drivers can travel long distances with confidence, but the majority of EV charging will take place either at home or at work and will utilize lower-power Level 2 chargers. This lower-power charging allows for easier managed charging of EVs in a way that more fully utilizes existing infrastructure and puts downward pressure on rates for all customers.[14] For individuals in multi-family dwellings or who lack access to dedicated parking, a lack of public Level 2 charging can result in significantly higher operating costs due to reliance on more expensive public DCFC. The ability for electric companies to provide a low-cost charging solution to these individuals is critical to ensure that the benefits of EVs can be experienced by all, regardless of where they live or their financial circumstances. These programs play a critical role for disadvantaged communities, similar to other low-income assistance programs that provide support to Texans in need.

Further, issues 68 and 69 broadly refer to a prohibition of electric company ownership of electric transportation and charging infrastructure, terms which could extend well beyond the actual charging stations. The majority of approved electric company investments in charging infrastructure are for make-ready rebates or incentives, which often allow an electric company to install, own, and maintain the electrical infrastructure between the meter and the charging station itself. These programs have been instrumental in jumpstarting investment in charging infrastructure from third parties like Electrify America and 7-11.[15, 16] A prohibition on ownership of electric transportation infrastructure could also preclude this model of investment. Similarly, such a prohibition could affect electric company investment in fleet charging infrastructure. Fleet customers who choose to work jointly with investor-owned electric companies to partially own charging infrastructure would no longer be able to do so. This would have a particularly negative impact on public fleets such as school buses who may lack the funding necessary for a complete buildout of fleet charging infrastructure. Recent funding for electric school buses as part of the

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12 *See* Atlas Public Policy, "Electric Utility Filings," EV Hub, November 2022, https://www.atlasevhub.com/materials/electric-utility-filings/

13 *See* Atlas Public Policy, 23 Percent of Utility Funding for Electric Vehicles Targeted for Underserved Communities, January 28, 2022, https://www.atlasevhub.com/data_story/23-percent-of-utility-funding-for-electric-vehicles-targeted-for-underserved-communities/

14 *See* Synapse Energy, "Electric Vehicles Are Driving Electric Rates Down: June 2019 Update," https://www.synapse-energy.com/sites/default/files/EV-Impacts-June-2019-18-122.pdf; *See also* Energy and Environmental Economics, "Cost-Benefit Analysis of Plug-in Electric Vehicle Adoption in the AEP Ohio Service Territory," https://www.ethree.com/wp-content/uploads/2017/10/E3-AEP-EV-Final-Report-4_28.pdf

15 *See* Electrify America, "Electrify Commercial® and Arizona Public Service Bring Ultra-Fast Charging Station to Show Low," March 30, 2022, https://media.electrifyamerica.com/en-us/releases/176

16 *See* Edison Electric Institute, "SCE's Charge Ready Initiative Provides Fast Charging Options Throughout California," September 7, 2022, https://theelectricgeneration.org/2022/09/7/sces-charge-ready-initiative-provides-fast-charging-options-throughout-california

Bipartisan Infrastructure Law, including funding for the deployment of 134 electric school buses across 13 school districts in Texas, covers only a portion of the cost of charging infrastructure and leaves school districts and their electric company partners to cover the remainder.[17]

As Texas works to implement policies that support greater deployment of EVs and grow the market for all participants, electric companies should not only be permitted to participate in this space but should also be given an important role in designing and implementing programs that best meet the needs of all customers while helping to integrate EV charging into the grid in a cost-effective manner. Entergy's program aims to do just that; the proposed enhancements provide the Commission with an opportunity to take immediate, concrete action to advance the State's goals, make EV technology available for all customers, maintain leadership in advanced transportation technologies, and expand the benefits of electric transportation.

EEI thanks the Commission for the opportunity to share our thoughts on Entergy's Petition and the overall growth of EVs in Texas.

Respectfully submitted,

Philip D Moeller

Philip D. Moeller
Executive Vice President,
Business Operations Group and
Regulatory Affairs
Edison Electric Institute
701 Pennsylvania Avenue, N.W.
Washington, DC 20004-2696
202-508-5500
PMoeller@eei.org

[17] *See* United States Environmental Protection Agency, "Awarded Clean School Bus Program Rebates," November, 2022, https://www.epa.gov/cleanschoolbus/awarded-clean-school-bus-program-rebates#map