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

REBUTTAL TESTIMONY

OF

SAMANTHA F. HILL

ON BEHALF OF

ENTERGY TEXAS, INC.

NOVEMBER 2022

ENTERGY TEXAS, INC.
REBUTTAL TESTIMONY OF SAMANTHA F. HILL
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I. INTRODUCTION AND PURPOSE

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Samantha F. Hill. My business address is 639 Loyola Ave., New Orleans, Louisiana 70113. I am employed by Entergy Services, LLC ("ESL").[1] My present position is Manager, Regulatory Rate Strategy.

Q2. ARE YOU THE SAME SAMANTHA F. HILL WHO FILED DIRECT TESTIMONY IN THIS CASE ON BEHALF OF ENTERGY TEXAS, INC.?

A. Yes. I am now submitting my Rebuttal Testimony to the Public Utility Commission of Texas ("PUCT" or the "Commission") on behalf of Entergy Texas, Inc. ("Entergy Texas" "ETI," or the "Company") in support of ETI's proposal to (1) offer to non-residential customers a new Transportation Electrification ("TE") specific offering called the Transportation Electrification and Charging Infrastructure ("TECI-1") Rider, and (2) adopt a new option that will be available to a limited number of qualifying non-residential customers called the Transportation Electrification and Charging Demand Adjustment ("TECDA-1") Rider.

[1] ESL is a subsidiary of Entergy Corporation that provides technical and administrative services to all of the Entergy Operating Companies ("EOCs"). The EOCs include Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc.

Q3. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to address certain arguments related to TECI-1 Rider and TECDA-1 Rider raised in the Direct Testimonies of Commission Staff witness William B. Abbott, Office of Public Utility Counsel ("OPUC") witness Evan D. Evans, ChargePoint, Inc. ("ChargePoint") witness Justin D. Wilson, and FlashParking, Inc. ("FlashParking") witness Matthew McCaffree. While I may respond to various positions taken, where I do not address a specific issue, any lack of discussion should not in any way be considered as an endorsement of a position.

Q4. ARE YOU RESPONDING TO ALL ISSUES DISCUSSED BY INTERVENORS IN DIRECT TESTIMONY?

A. I am not responding to the supportive comments provided by various intervenors regarding the TECI-1 Rider and the TECDA-1 Rider. For example,

- Flashparking's witness' recommendation that both the TECI-1 Rider and the TECDA-1 Rider be approved by the Commission.[2]
- ChargePoint's witness' support for the approval of the TECI-1 Rider[3] and recommendation that the "Commission should also find that it is appropriate for limited utility ownership of EV chargers."[4]

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2 Direct Testimony of Matthew McCaffree at 6.

3 Direct Testimony of Justin Wilson at 14.

4 Direct Testimony of Justin Wilson at 24.

- The support for electric public utility ownership of EV charging infrastructure and equipment from both El Paso Electric Company[5] and from Southwestern Public Service Company witness Jeremiah W. Cunningham.[6]

II. RESPONSE TO STAFF AND INTERVENORS – TECI-1 RIDER

Q5. PLEASE PROVIDE AN OVERVIEW OF THE POSITIONS OF THE PARTIES REGARDING THE PROVISION OF TRANSPORTATION ELECTRIFICATION SERVICES BY ENTERGY OR OTHER VERTICALLY INTEGRATED UTILITES.

A. The Commission's Preliminary Order sets forth the following questions:

Question 68: Is it 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?

Question 69: 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?

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[5] El Paso Electric Company Statement of Position at 1.

[6] Direct Testimony of Jeremiah W. Cunningham at 8.

Seven parties weighed in on one or both of these questions: Entergy (in its Application), Staff, the Office of Public Utility Counsel, FlashParking, Inc., ChargePoint, Inc., El Paso Electric (Question 68) and Southwestern Public Service Company (Question 68). All of the parties except Staff either support or do not oppose riders TECI-1 and TECDA-1 and/or the right of vertically integrated utilities to own TE infrastructure. The vertically integrated utility parties and the competitive EV provider parties unanimously agree that vertically integrated utilities have a role to play in the expansion of the EV charging market.

Q6. HAS ANYONE ELSE WEIGHED IN ON THESE ISSUES?

A. Yes. On November 15, 2022, Edison Electric Institute ("EEI"), an association that represents all U.S. investor-owned electric companies, filed a letter in this proceeding that discusses the "integral role electric companies play in accelerating electric transportation through programs" like the TECI-1 and TECDA riders.[7] EEI notes that "[a]s 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 . . . ."[8] Regarding ETI's proposal, EEI states that Riders TECI-1 and TECDA:

> 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

[7] Letter from EEI to Chairman Peter Lake of the Public Utility Commission of Texas, Nov. 15, 2022, Exhibit SMH-R-1 at 1.

[8] *Id.* (emphasis in original).

> 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.[9]

Per EEI:

> 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.[10]

Regarding the general policy question of whether vertically-integrated electric utilities should be permitted to own TE infrastructure, EEI states that if ownership is prohibited, such a policy "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."[11]

EEI's letter concludes by encouraging adoption of ETI's proposed Riders TEDI-1 and TECDA, which "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."[12]

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9 *Id.* at 2.

10 *Id.* at 3.

11 *Id.* at 2.

12 *Id.* at 4.

Q7. HAVE ANY OTHER COMMISSIONS APPROVED A SIMILAR CONCEPT TO SCHEDULE TECI?

A. Yes. On November 1, 2022, the Mississippi Public Service Commission approved a similar charging infrastructure rider proposed by Entergy Mississippi, LLC, named the Charging Infrastructure Rate Schedule CI-1.[13] Also, in 2019 the City Council of New Orleans approved a similar charging infrastructure rider proposed by Entergy New Orleans, LLC, named the Electric Vehicle Charging Infrastructure Rider.[14] Finally, the Arkansas Public Service Commission has an open proceeding to consider the same charging infrastructure rider proposed by Entergy Arkansas, LLC, named the Charging Infrastructure Rider.[15]

Q8. MR. ABBOTT STATES "IT IS NOT APPROPRIATE FOR AN ELECTRIC UTILITY IN A VERTICALLY INTEGRATED AREA TO OWN VEHICLE-CHARGING FACILITIES OR OTHER TRANSPORTATION ELECTRIFICATION AND CHARGING INFRASTRUCTURE."[16] HOW DO YOU RESPOND?

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[13] Docket No. 2022-UN-44, *Notice of Intent of Entergy Mississippi, LLC, to Change Rates by Offering Entergy Mississippi, LLC Flex Charge Offering in Support of Customers Interest in Transportation Electrification*, (Nov. 1, 2022).

[14] Docket No. UD-18-07, *Application of Entergy New Orleans, LLC for a Change in Electric and Gas Rates Pursuant to Council Resolution No. R-19-457* (Nov. 7, 2019).

[15] Docket No. 22-026-TF, *In The Matter of the Application of Entergy Arkansas, LLC, for Proposed Tariffs Regarding Public Charging and Charging Infrastructure.*

[16] Direct Testimony of Mr. Abbott at 7.

A. While I am not a lawyer, it is my understanding that Texas law does not preclude ETI from constructing, owning, and maintaining transportation electrification ("TE") infrastructure and equipment.

Second, it is my interpretation of a 2020 FERC audit report[17] that EV infrastructure and equipment is utility equipment wherein FERC stated that the EV chargers installed, owned, and maintained by San Diego Gas & Electric Company ("SDG&E") and located on host customer property are appropriately recorded in utility property FERC account 371. FERC account 371 – Installations on customers' premises should include "the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property." The FERC audit report stated, "[t]he EV charging stations are made of several components that include hardware and software that facilitate retail end-use customer access to a low voltage power supply with control and monitoring oversight by SDG&E."

[17] *See* https://cms.ferc.gov/sites/default/files/2021-03/FA19-3-000-SanDiegoGas-Electric.pdf.

Third, the TECI-1 Rider is not materially different from the PUCT-approved Additional Facilities Charge ("AFC")[18] Rider, Option B, or the PUCT-approved Area Lighting Service ("ALS") Rider.[19]

Additionally, EEI published the Electric Vehicle Sales and the Charging Infrastructure Required Through 2030 article in which the authors describe the role of the electric utility, stating, "[e]lectric companies are well-positioned to deploy EV charging infrastructure," further detailing that electric company infrastructure may include development of make-ready infrastructure, installation and owning of infrastructure, and offers of incentives.[20] In fact, per the Edison Electric Institute's July 2022 Electric Transportation Biannual State Regulatory Update,[21] electric companies are currently (and increasingly) engaged in many different facets of TE, with 62 electric companies in 34 states and Washington, DC, having received regulatory approval for TE filings.

Finally, ChargePoint also agrees with this view that electric companies play a key role in development and ownership of EV charging infrastructure, as

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[18] *See* https://cdn.entergy-texas.com/userfiles/content/price/tariffs/eti_afc.pdf?_ga=2.252265166.692491082.1668029709-624625611.1668029709.

[19] *See* https://cdn.entergy-texas.com/userfiles/content/price/tariffs/eti_als.pdf?_ga=2.252265166.692491082.1668029709-624625611.1668029709.

[20] Satterfield, Charles, et al. Electric Vehicle Sales and the Charging Infrastructure Required Through 2030, Edison Electric Institute, June 2022, at 16. *See* https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Electric-Transportation/EV-Forecast--Infrastructure-Report.pdf.

[21] *See* Electric Transportation Biannual State Regulatory Update. (November 2021) Edison Electric Institute, *see*: https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Electric-Transportation/ET-Biannual-State-Regulatory-Update.pdf.

indicated in Mr. Wilson's Direct Testimony.[22] Vendors such as ChargePoint[23] and FlashParking[24] recommending the approval of ETI ownership of TE infrastructure and equipment through the proposed TECI-1 Rider demonstrates that there is a role for the utility in helping to support the TE infrastructure buildout and that the ownership of such facilities should not be left only to "Competitive Providers" or "third parties" as recommended by Mr. Abbott.

Mr. Abbott also recommends that TE electrification and charging infrastructure "ownership should be wholly left to customers." I would contend that TECI-1 Rider is about choice for ETI's site host customers. ETI's customers have the choice to work with ETI for TE infrastructure installation and the choice to work with ETI for TE equipment installation. For example, some customers may not want to take on the burden of sourcing the installation and maintenance of EV charging equipment. Some customers may prefer a turn-key solution through TECI-1 Rider. Imagine a school district electrifying their fleet of school buses. The school district administration may already be short staffed and strained and unable to take on another task of sourcing all of the installation and equipment vendors and then maintaining the EV chargers. Through TECI-1 Rider, ETI can take the uncertainty and stress of a new technology and new

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[22] Mr. Wilson states "ETI is uniquely positioned to support transportation electrification, which will support and encourage EV adoption." Direct Testimony of Justin Wilson at 5.

[23] Direct Testimony of Justin Wilson at 14.

[24] Direct Testimony of Matthew McCaffree at 24.

processes and assist that customer in their electrification needs with a turn-key offering.

Other customers may prefer just to have the electric extension of service and the make-ready infrastructure provided by ETI. Imagine a multi-unit housing complex property manager who would like a few simple level-2 chargers installed on their property. That property manager may have the resources to purchase, install, and maintain that equipment, but would still like to use the proposed TECI-1 Rider to install the electric extension of service and make-ready.

Electric utility, third party, "Competitive Providers,"[25] and customer, ownership types are not mutually exclusive; all types of ownership types can coexist together in order to advance TE forward for Texas customers. Through the proposed TECI-1 Rider, ETI is only adding more options and more information for customers, all while connecting customers with vendors and third parties through TECI-1 Rider.

[25] ETI understands the use of "competitive providers" in the Direct Testimony of Mr. Abbott aligns with the ETI's use of the term "Vendors" including OEMs, EVSE vendors, EVSPs, installers, and maintenance vendors.

Q9. HOW DO YOU RESPOND TO MR. ABBOTT'S CONTENTION THAT ETI, AS AN ELECTRIC MONOPOLY, SHOULD NOT BE PERMITTED TO PARTICIPATE IN A COMPETITIVE MARKET?[26]

A. Mr. Abbott's argument is inconsistent both with how electric utilities operate and with the rapidly changing electric infrastructure environment. For instance, electricity production used to be solely within the province of monopoly providers of electric generation. However, today, there are numerous competitive providers of generation, including at the customer level. Thousands of customers within ETI's service area have solar panels that generate electricity, and these were purchased, installed, and are producing as a result of the competitive market. If, as Mr. Abbott suggests, ETI should be categorically prohibited from participating in a market that contains elements of competition, then it would have to get out of the generation business altogether. However, that result would be inconsistent with the Legislature's desire for ETI to continue to provide generation, transmission, distribution, and retail service.[27]

Q10. HOW HAS THE LEGISLATURE PROVIDED GUIDANCE ON THIS ISSUE?

A. Contrary to Mr. Abbott's assertions, it is my belief that the Legislature has provided a clear indication that electric utilities outside ERCOT are permitted to participate in electric services that are also provided by competitive enterprises.

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[26] Direct Testimony of Mr. Abbott at 7.

[27] Tex. Util. Code §§39.452(a), (d), (i).

Just because a service can be provided by a competitive firm does not mean that a utility outside ERCOT is prohibited from doing so. The opposite is true. For instance, PURA declares that the provision of generation and retail services are subject to the competitive market.[28] However, in the areas outside ERCOT, the Legislature has permitted ETI and other utilities to continue to provide these services. The same is true for TE infrastructure, just as it is true of additional facilities that a grocery store or a service station might seek to have installed on their property under ETI's current Rider AFC.

Mr. Abbott's arguments are also inconsistent with recently-enacted S.B. 1202.[29] That legislation is a recognition that the provision of EV charging services falls within the traditional regulatory framework governing the provision of electric utility services, as ETI provides.[30] The Legislature's decision to exempt competitive providers in this nascent market did not likewise strip ETI's traditional rights to provide electric delivery services. TECI-1 Rider is fully consistent with the Legislature's desire to encourage the development of the EV market. ETI has a role to play as a bridge between competitive providers and end-use customers, both of which will benefit from the expansion of opportunities afforded through TECI-1 Rider.

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[28] Tex. Util. Code §§31.001(c); 39.001(a).

[29] *See* Tex. Util. Code §31.002(6)(J)(iv).

[30] *See id.*

Q11. MR. ABBOTT ASSERTS THAT ETI'S PROPOSED TECI-1 RIDER IS "UNREASONABLY PREFERENTIAL AND DISCRIMINATORY, IS INEQUITABLE, AND SHOULD BE REJECTED AS IT IS NOT JUST AND REASONABLE."[31] WHAT IS YOUR RESPONSE?

A. I disagree with Mr. Abbott's assertion. As an initial matter, rates can be discriminatory when they unreasonably treat similarly situated customers in a different manner. TECI-1 Rider targets a group of *potential* customers who are *not similarly situated* to other ETI customers, and Mr. Abbott does not make any argument to the contrary. However, as detailed at length in my direct testimony, there are a host of reasons that customer adoption of EV charging options have lagged, resulting in an underdeveloped TE market. Moreover, the TECI-1 Rider is not materially different from other offerings that the Commission has approved and that ETI provides to customers, and the TECI-1 Rider recovers costs from a host customer in a manner not materially different from how those similar PUCT-approved offerings are recovered currently. TECI-1 Rider is like these other nondiscriminatory tariffs in that they meet a need that is specific to a particular potential customer type if they choose to opt in.

For example, while the TECI-1 Rider is specific to TE infrastructure and equipment, it is functionally identical to what ETI provides to customers today through the PUCT-approved Additional Facilities AFC Rider, Option B. The TECI-1 Rider was developed based on the same rationale and methodology

[31] Direct Testimony of Mr. Abbott at 7.

behind ETI's existing AFC Rider. In principle and application, the TECI-1 Rider is no different that the AFC Rider. Under the AFC Rider, the Company constructs, owns, and maintains electrical infrastructure for the benefit of a specific customer who in turn agrees to pay for that infrastructure via a fixed payment each month.

Q12. PLEASE EXPLAIN FURTHER HOW THE PUCT-APPROVED AFC RIDER AND ALS RIDER ARE SIMILAR TO THE PROPOSED TECI-1 RIDER?

A. ETI developed the TECI-1 Rider based on the rationale and methodology behind ETI's existing PUCT-approved AFC Rider, Option B. Much like the AFC Rider, ETI developed the percentage-based rates under TECI-1 Rider by calculating level monthly payment percentages to be applied to the investment made by the Company for the Recovery Term period between 1 year and 10 years, as I describe further in my Direct Testimony.[32]

In another example, the TECI-1 Rider is similar to the PUCT-approved ALS Rider where ETI will install, own, and maintain the required area lighting facilities for the use of the host site customer. The participating customer signs up for the ALS Rider, benefits from the lighting service, and pays for the entirety of the cost of the property and the services.

For all intents and purposes, the only difference between TECI-1 Rider; AFC Rider, Option B; and the ALS Rider is that TECI-1 Rider involves utility-

[32] Direct Testimony of Samantha Hill ("Hill Direct") at 17-18.

owned TE infrastructure, AFC Rider involves utility-owned infrastructure more generically, and the ALS Rider involves lighting. The two reasons the Company decided to seek PUCT approval of the proposed TECI-1 Rider versus use the AFC Rider, Option B for TE infrastructure projects are that (1) AFC Rider, Option B does not explicitly contemplate use of the Company's Electric Extension Policy because the AFC Rider does not generally involve increased revenues associated with the Company's infrastructure investment; and (2) the AFC Rider reflects historic transmission and distribution O&M expenses, whereas the TECI-1 Rider needs to reflect the customer-specified level and type of O&M (e.g., extended warranty, networking service).

Q13. MR. ABBOTT CLAIMS THAT "FULLY EVALUATING ETI'S COSTS AND REVENUES ASSOCIATED WITH TECI-1 RIDER WOULD BE INCREDIBLY DIFFICULT, DUE TO THE CUSTOMER-SPECIFIC NATURE OF EACH AND EVERY TE INFRASTRUCTURE INSTALLATION."[33] HOW DO YOU RESPOND?

A. As stated previously, the TECI-1 Rider is developed based on similar existing offerings and processes in the PUCT-approved AFC Rider and ALS Rider. ETI believes, much like those current offerings, it will not be difficult to evaluate the cost and revenues associated with TECI-1 Rider. In conjunction with TECI-1 Rider, once a customer desires to enter into the Customer Agreement with ETI to

[33] Direct Testimony of Mr. Abbott at 9.

construct TE infrastructure and equipment (if the customer chooses) the total installed cost will be used to calculate the Net Monthly Bill using the set monthly levelized percentages from the TECI-1 Rider Schedule. The customer will also agree to pay a fixed monthly O&M charge for the actual cost of O&M expenses. Installation, equipment, and maintenance will all be contracted with third party vendors.

Q14. MR ABBOTT EXPRESSES A CONCERN "TECI-1 RIDER WOULD LIKELY RESULT IN HARM TO OTHER RATEPAYERS IN ADDITION TO THE POTENTIAL SHIFTING OF COSTS TO OTHER CUSTOMERS IF THE TECI COSTS AND REVENUES DO NOT REASONABLY MATCH UP."[34] HOW DO YOU RESPOND?

A. I disagree with his concerns. I also disagree with similar concerns stated by Mr. Evans that "some portion" of the infrastructure investment, depreciation expense, and O&M expenses will be "borne by non-participating customers."[35] As discussed in my Direct Testimony,[36] the costs incurred per the TECI-1 Rider for a given project will only be charged to that customer who voluntary elects to enroll in the TECI-1 Rider, and no costs associated with ETI's investment will be imposed on ETI's other customers. The participating customer will enter into a

[34] Direct Testimony of Mr. Abbott at 9.

[35] Direct Testimony of Mr. Evans at 32.

[36] Hill Direct at 16.

Customer Agreement with ETI, and the customer will agree to pay a net monthly TECI-1 Rider payment for a customer-selected Recovery Term (between 1 year and 10 years), along with agreed-on amount to cover O&M costs incurred by ETI for the Company-owned infrastructure. The net monthly payments collected under the TECI-1 Rider will be treated as an offset against ETI's overall revenue requirement. Once the customer-selected Recovery Term has ended, the costs to install the infrastructure will have been fully recovered from the TECI-1 Rider customer via its monthly payments made to ETI.

The Customer Agreement attached as Exhibit SFH-3 to my Direct Testimony ensures that the host customer bears the responsibility for all of the infrastructure and equipment costs that it does not want to own and maintain, as well as the related O&M costs.

In order to further ensure that only the participating customer pays for investments made in conjunction with the TECI-1 Rider, participating customers must meet certain eligibility requirements, and their legal liabilities, responsibilities, and obligations to pay for the costs incurred by the Company are included in the Customer Agreement entered into between ETI and the participating customer. Examples of those legal provisions include the terms and conditions for contract termination and breach, duties of care, equipment casualty, customers' liabilities and responsibilities, and force majeure. Further, ETI has the right to remove and salvage any equipment owned by ETI, as covered in Part 4 - Disposal of TECI Facilities.

Importantly, the TECI-1 Rider is not materially different from other offerings that the Commission has approved and that ETI provides to customers and the TECI-1 Rider recovers costs from a host customer in a manner not materially different from how those similar PUCT-approved offerings are recovered currently, most notably the AFC Rider and ALS Rider.

Q15. MR. ABBOTT EXPRESSES A CONCERN THAT NON-PARTICIPATING CUSTOMERS MAY BE IMPACTED BY UNRECOVERED COSTS IF A TECI-1 RIDER CUSTOMER WERE TO FILE FOR BANKRUPTCY OR OTHERWISE DEFAULT.[37] HOW DO YOU RESPOND?

A. The risk of a customer declaring bankruptcy or defaulting on their obligation is an inherent risk of providing electric service and constructing dedicated facilities such as these under the AFC Rider, and ETI has proposed policies and procedures in place to mitigate any potential impact to non-participating customers in the event of a TECI-1 Rider customer bankruptcy or Customer Agreement default. Pursuant to Section 5.2, Termination by Customer, of the Customer Agreement, if a TECI-1 Rider customer ceases operations or sells their facility to another party that does not choose to participate in the TECI-1 Rider prior to the end of the initial term of the Customer Agreement, then the unrecovered costs of the ETI-owned facilities are due from the TECI-1 Rider customer in a lump sum payment equal to the remaining unpaid Fees calculated through the end of the Initial

[37] Direct Testimony of Mr. Abbott at 9.

Term.[38] ETI has the right to remove and salvage any equipment owned by ETI, under Section 4.2, Disposal of TECI Facilities, of the Customer Agreement.[39]

Further, the TECI-1 Rider customer may have a separate minimum monthly charge to ensure that ETI recovers the four years of anticipated revenues that were used to calculate the Net Monthly Bill.[40] In the event a TECI-1 Rider customer discontinues service prior to the end of four years, it will be treated as any other customer defaulting on their obligations under the Electric Service Agreement and will enter the collections process.

Alternatively, in the case that ETI required financial security to secure the TECI-1 Rider investment, that financial security can be retained by ETI to cover the uncollected anticipated revenue and any remaining balance owed for the investment made by ETI on behalf of the host customer.

Importantly, the TECI-1 Rider is not materially different from other offerings that ETI provides to customers and the TECI-Rider has safeguards protecting from bankruptcy and default in a manner not materially different from similar PUCT-approved offerings, such as AFC Rider, Option B and ALS Rider.

Q16. MR. EVANS ASSERTS THAT THE PROJECTED NON-FUEL REVENUE CREDIT USED IN CALCULATING THE TECI-1 RIDER NET MONTHLY

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38 TECI-1 Rider Rate Schedule attached as Exhibit SFH-3 to Hill Direct at Sec. 5.2.

39 TECI-1 Rider Rate Schedule attached as Exhibit SFH-3 to Hill Direct at Sec. 4.2.

40 Defined in Exhibit SFH-1 to Hill Direct.

PAYMENT SHOULD BE LIMITED TO ONLY ONE YEAR OF PROJECTED REVENUE.[41] WHAT IS YOUR RESPONSE?

A. Mr. Evans' assertion and supporting analysis are flawed and meritless. Mr. Evans purports that the proposed credit, or unreimbursed upfront costs, equal to the first four years of projected revenue[42] from new or additional TE load, are not supported by ETI's proposed base rates. Mr. Evans further states that, based on an analysis that he performed, the General Service ("GS") rate schedule only supports a distribution rate base equal to "0.29 years" of ETI's base revenues.[43] To make this claim, Mr. Evans provides an error-riddled analysis in his EDE-9 workpaper. The EDE-9 workpaper includes mislabeled rows, incorrectly using the term "rate base" when what is being presented is actually "revenue requirement." Further, in his EDE-9 workpaper, Mr. Evans calculates the percentage of distribution demand costs included in the GS revenue requirement, although he labels the percentage value with a dollar ($) sign in his testimony, and then somehow extrapolates that the percentage calculated has some relevance to the number of years that embedded distribution costs are recovered per the GS rate. Mr. Evan's calculation actually shows that the distribution demand-related costs make up 29% of the GS revenue requirement, which is irrelevant to the

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41 Direct Testimony of Mr. Evans at 30.

42 Projected revenue is defined in the Extension of Service Policy at Compliance Tariff Pursuant to the Final Order in Docket No. 39896; *Application of Entergy Texas, Inc. for Authority to Change Rates, Reconcile Fuel Costs, and Obtain Deferred Accounting Treatment*, Docket No. 40742, Compliance Tariff at 3.1-3.4 (Item No. 22) (Nov. 21, 2012), *available at* https://interchange.puc.texas.gov/Documents/40742_22_742846.PDF.

43 Direct Testimony of Mr. Evans at 30.

recovery of distribution (and other embedded) costs from a TECI-1 Rider customer and the proposed credit for anticipated revenue.

ETI's PUCT-approved GS base rate schedule is appropriately designed to recover ETI's cost of service,[44] including the costs treated under the PUCT-approved Electric Extension Policy. ETI designed the TECI-1 Rider to equitably apply a similar policy and similar procedures for the resulting new or additional TE-specific load, as are applied today through the PUCT-approved Electric Extension Policy. Further, the design of TECI-1 Rider is based on the already PUCT-approved AFC Rider. Applying the same extension of service policy to TE customers as is applied to all other customers is fair and appropriate. The PUCT-approved Electric Extension Policy[45] defines the following anticipated revenue applications:

> The Company will normally extend its overhead facilities to serve new and permanent Customers when, in the Company's opinion the anticipated new revenue involved is sufficient to produce a ratio of investment to revenue of 4 to 1 (excluding existing and future fuel recovery mechanisms and existing and future non-base rate cost recovery mechanisms as applicable per regulatory authority, gross charges and taxes), or less, without any contribution from the new Customer or Customers involved.

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[44] *See* Direct Testimony of Crystal K. Elbe.

[45] Compliance Tariff Pursuant to the Final Order in Docket No. 39896; *Application of Entergy Texas, Inc. for Authority to Change Rates, Reconcile Fuel Costs, and Obtain Deferred Accounting Treatment*, Docket No. 40742, Compliance Tariff at 3.1-3.4 (Item No. 22) (Nov. 21, 2012), *available at* https://interchange.puc.texas.gov/Documents/40742_22_742846.PDF.

When the required ratio is not satisfied, applicant or applicants for service will be required to pay to the Company the amount by which the estimated investment in the facilities exceeds the anticipated four-year revenue (excluding existing and future fuel recovery mechanisms and existing and future non-base rate cost recovery mechanisms as applicable per regulatory authority, gross charges and taxes) to be obtained from applicable Customers to be served by the facilities.

Finally, revenue generated from the use of the TE infrastructure and equipment for the first four years, through the life of the equipment (proposed 10 years for EV charging infrastructure and equipment), and beyond, will offset the costs of the ETI's investment and ultimately benefit all customers. It is expected that once customers install TE infrastructure and purchase equipment such as vehicles they will continue to use that equipment for the foreseeable future. For example, based on projections and trends discussed in my Direct Testimony, it is unrealistic to conceive that a customer would invest to electrify their vehicle(s) today and then in ten years revert back to internal combustion engines. ETI-enabled investments in TE infrastructure and equipment through the TECI-1 Rider will provide for additional benefits beyond the direct use of that infrastructure, such as EV drivers charging their vehicles at home and other locations, thus, increasing overall electricity sales across the jurisdiction, which will benefit all of ETI's customers by helping to cover fixed costs.

Q17. MR. EVANS RECOMMENDS THAT ETI SHOULD BE REQUIRED TO MAINTAIN SEPARATE ACCOUNTING FOR ALL INVESTMENT, DEPRECIATION EXPENSE AND OTHER COSTS ASSOCIATED WITH THE TECI-1 PROGRAM AND PROMOTION OF THAT PROGRAM.[46] HOW DO YOU RESPOND?

A. The TECI-1 Rider installation costs would be booked in accordance with Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts to electric plant account 371 (Installations on customers' premises).

Depreciation expense associated directly with the TE infrastructure and equipment investment will be booked in accordance with FERC Uniform System of Accounts to account 403 (Depreciation expense).

All ongoing maintenance expenses associated directly with the TE infrastructure and equipment investment will be booked in accordance with FERC Uniform System of Accounts to account 598 (Maintenance of miscellaneous distribution plant) and any operating expenses will be booked in accordance with FERC Uniform System of Accounts to account 586 (Meter expenses).

Other expenses incurred such as additional property taxes will be booked to the FERC accounts currently used for similar types of expenses. There is no way to segregate other expenses such as property tax expenses, for example, as those are calculated in the aggregate based on gross property values for ETI and not by individual piece of property. However, an estimated property tax cost was

[46] Direct Testimony of Mr. Evans at 10.

included in the calculation of the recovery term percentages included in the tariff and paid by the TECI-1 Rider customer.

Once a customer desires to enter into the Customer Agreement with ETI to construct TE infrastructure in conjunction with the TECI-1 Rider, internal labor and related costs will be estimated and incorporated into the total installed cost that will be used to calculate the Net Monthly Bill.

For monthly revenues received under the TECI-1 Rider, ETI proposes that those revenues be booked in accordance with FERC Uniform System of Accounts to revenue account 456 (Other electric revenues) and treated as an offset against ETI's overall revenue requirement.

Although the Company is not planning to add incremental resources at this time to facilitate projects that are constructed in conjunction with the TECI-1 Rider, and as such does not anticipate incurring material administration costs, the costs for an ETI employee or representative who will consult with a potential TECI-1 Rider customer and finalize the customer agreement execution would be recorded, where it is today for other ETI selling expenses, in FERC account 912 (Demonstrating and selling expenses).

Q18. WILL ETI PROVIDE VENDOR SELECTION[47] TO THE SITE HOST CUSTOMER FOR THE COMPANY'S PROPOSED TECI-1 RICER, AS RECOMMENDED BY MR. WILSON?

A. Yes. ETI plans to offer multiple vendors to best meet each customer's specific needs. To specifically address Mr. Wilson's concern, each site host will be able to choose the charging equipment and the network service provider for the EV charging station(s) from a growing list of ETI pre-qualified vendors.

Q19. HOW DO YOU RESPOND TO MR. WILSON'S RECOMMENDATION THAT "ALL MARKETING AND EDUCATIONAL MATERIALS FOR THE TECI-1 RIDER ARE VENDOR NEUTRAL?"[48]

A. All marketing and educational materials for the TECI-1 Rider will be vendor neutral.

[47] Direct Testimony of Justin Wilson at 4.

[48] Direct Testimony of Justin Wilson at 4.

Q20. WILL A TECI-1 RIDER CUSTOMER HAVE THE ABILITY TO SET PRICING TO SELL CHARGING SERVICES TO EV DRIVERS,[49] AS SUGGESTED BY MR. WILSON?

A. Yes, as discussed in my Direct Testimony,[50] the State of Texas enacted S.B. No. 1202 during the 2021 legislative session, which addresses the "charge for charging" issue as it relates to uncertainty of public utility status. In essence, an individual or entity offering public access to an EV charger can now request compensation from a person using that charger to supply electricity to their vehicle.

Q21. HOW DO YOU RESPOND TO MR. WILSON'S RECOMMENDATION THAT "IT IS APPROPRIATE FOR UTILITIES TO OWN MAKE-READY INFRASTRUCTURE TO SUPPORT EV CHARGERS"[51]?

A. TECI-1 Rider already provides the option for ETI to install only the make-ready infrastructure for non-residential site hosts. More specifically, the tariff allows a non-residential customer (retail store, school, hospital, multi-family housing, etc.) to choose the level of charging infrastructure that it desires to own and maintain ranging from ETI installing, owning, and maintaining all of the EV charging

[49] Direct Testimony of Justin Wilson at 4.

[50] Hill Direct at 25.

[51] Direct Testimony of Justin Wilson at 24.

infrastructure on the customer's property to a customer owning and maintaining whatever portion of the charging infrastructure that it desires.

III. RESPONSE TO STAFF AND INTERVENORS – TECDA-1 RIDER

Q22. MR. ABBOTT STATES ETI'S PROPOSED TECDA-1 RIDER IS UNREASONABLY PREFERENTIAL AND DISCRIMINATORY, IS INEQUITABLE AND GRANTS AN UNREASONABLE PREFERENCE CONCERNING RATES TO CERTAIN PERSONS IN A CLASSIFICATION, AND SHOULD BE REJECTED AS IT IS NOT JUST AND REASONABLE. HOW DO YOU RESPOND?

A. First, I disagree that TECDA-1 Rider is not just and reasonable. In my Direct Testimony as well as in this Rebuttal Testimony, I describe the operational characteristics associated with separately metered TE infrastructure and equipment. The TECDA-1 Rider is carefully designed to address a known impediment to much needed investment that will help consumers, businesses, and governments and similar types of customers shift to TE with all of the associated benefits including societal benefits discussed at length in my Direct Testimony.

Second, the Company offers several PUCT-approved Rider Schedules that similarly recognize certain types of customers and implement billing provisions that address the unique nature of those customers. For example, the Company's Special Minimum Charge Rider to Schedules SGS, GS, and LGS ("Schedule SMC") offers a potential reduction to an eligible customer's Billing Load for

purposes of calculating the monthly bill. Schedule SMC also offers seasonally operated eligible customers (e.g., agricultural operations, municipal facilities) the ability to disconnect and reconnect in the same calendar year without paying additional fees. Finally, the Company offers the Rider for Institutions of Higher Learning ("Schedule IHE"), which discounts the customer's monthly bill, net of the fuel adjustment portion, by 20%. Both of these Rider examples illustrate that certain types of customers merit billing treatment that differs from other customers that are on those same rate schedules.

Finally, as I discussed further below in this Rebuttal, TECDA-1 Rider includes several proposed safeguards that help ensure other customers are protected. For example, the Company proposed to limit the first 30,000 kW of electric vehicle charging load to become operational after the rider's effective date, individual charging load less than or equal to 1,500 kW, and for a time limit of not more than five years.

Q23. WHAT IMPACT WOULD APPROVAL OF THIS APPLICATION HAVE ON ETI'S OTHER CUSTOMERS?

A. The results of the Ratepayer Impact Measure ("RIM") test show a net benefit to ETI's customers. In my Direct Testimony, I explained the economic benefits that TECDA-1 Rider provides to ETI's customers and why TECDA-1 Rider is necessary to promote greater investment in TE infrastructure and equipment, as well as the EV market more generally. Taken in combination with the positive

RIM test, it is ETI's position that the evidence demonstrates that TECDA-1 Rider is in the public interest and, respectfully, should be approved.

Q24. WHY IS THE RIM TEST USED AS A MEASURE OF COST EFFECTIVENESS?

A. The RIM test is one of the economic evaluation tests that are set out in the California Standard Practice Manual for Economic Analysis of Demand-Side Management Programs ("California Manual"). The RIM test can be used to evaluate the impact of a change in load from a demand-side management ("DSM") program or contract for new additional load on the rates charged to a utility's other customers, assuming instant ratemaking. The RIM test is also useful for determining whether a concept such as TECDA-1 Rider could have an adverse impact on other customers as far as their electric rates.

Before I explain further, it is important to note that the Company believes the TECDA-1 Rider will promote increased investment in TE infrastructure and equipment more generally. The TECDA-1 Rider should not be viewed through the narrow lens of only reducing ETI's revenue from what it otherwise would have been. Instead, as discussed further in my Direct Testimony, ETI believes that the availability of the TECDA-1 Rider will encourage customers to invest in charging infrastructure, including for public use, that they otherwise would not have built. Viewed from that perspective, the TECDA-1 Rider should promote increased investment that will lead to increased electricity sales, and based on the

results of the RIM test, investments in charging infrastructure will directly benefit ETI's other customers in multiple ways.

The RIM test is designed to consider the incremental benefits of the utility's proposal and the costs associated with providing the service in this case. If benefits exceed costs, there is a positive contribution to the utility's overall rate requirements, resulting in a lower rate requirement from all other customers. The RIM test is typically expressed as a ratio of benefits to costs over time with a positive RIM test having a value of 1.0 or greater.

Q25. WHAT BENEFITS ARE CONSIDERED IN THE RIM ANALYSIS?

A. In the RIM analysis of TECDA-1 Rider, there are three streams of benefits.

1. Revenue from base rates;
2. Revenue from fuel rates; and
3. Revenues from other base rate-related riders.[52]

Q26. WHAT COSTS WERE INCORPORATED IN THE RIM ANALYSIS?

A. In the RIM analysis of TECDA-1 Rider, there are four streams of costs.

1. Incremental capacity supply costs;
2. Incremental energy supply costs;

[52] The RIM test reflects base rate revenues using the proposed GS Rate Schedule, which incorporates revenues that are currently included in the Distribution Cost Recovery Factor Rider ("Rider DCRF"), Transmission Cost Recovery Factor Rider ("Rider TCRF"), and Generation Cost Recovery Rider ("GCRR"); meaning the other base rate related riders in the RIM test are set at zero.

3. Embedded transmission-related costs; and

4. Embedded distribution-related costs.[53]

Q27. WHAT ARE THE RESULTS OF THE RIM TEST ANALYSIS?

A. The results of the RIM test analysis are summarized in Table 1 below.

Table 1: Results of RIM Test (Net Present Value)

	10-Yr RIM Results NPV				
Benefits	**600 KW 5% LF**	**600 KW 10% LF**	**1,500 KW 5% LF**	**1,500 KW 10% LF**	**Average**
Base Rate	$444,387	$597,194	$1,104,024	$1,486,042	$907,912
Fuel	$89,724	$140,087	$224,309	$350,217	$201,084
DCRF, TCRF, AND GCRR	$0	$0	$0	$0	$0
Total Benefits	**$534,111**	**$737,281**	**$1,328,334**	**$1,836,259**	**$1,108,996**
Costs					
Energy Supply Costs	$116,200	$179,992	$290,501	$449,980	$259,168
Capacity Supply Costs	$153,664	$153,664	$384,157	$384,157	$268,910
Transmission Costs	$31,677	$31,677	$79,193	$79,193	$55,435
Distribution Costs	$164,569	$164,569	$411,422	$411,422	$287,996
Total Costs	**$466,110**	**$529,902**	**$1,165,273**	**$1,324,752**	**$871,509**
RIM B/C Ratio	**1.15**	**1.39**	**1.14**	**1.39**	**1.27**

Q28. HOW WILL ETI LIMIT ANY POTENTIAL ADVERSE IMPACTS TO OTHER CUSTOMERS FROM TECDA-1 RIDER?

A. First, it is important to reiterate that the results of the RIM Test described above indicate that TECDA-1 Rider will positively impact ETI's other customers by

[53] The Company does not believe there are any incremental transmission or distribution costs associated with the TECDA-1 Rider other than direct distribution costs that are addressed in the ETI's Commission-approved Electric Extension of Service Policy, or TECI-1 Rider via recovery term payment if approved. For completeness sake and to ensure conservatism, the RIM test incorporates embedded transmission and distribution costs.

helping to lower overall rates. It is also important to note that the new electric loads that will take advantage of TECDA-1 Rider are incremental and would not have otherwise been expected to occur absent TECDA-1 Rider being approved and implemented. As discussed further in my Direct Testimony, ETI has heard firsthand from several customers considering investing in new DC fast charging infrastructure that would be available to the public that ETI's current electric rates are cost-prohibitive from an overall "effective rate"[54] perspective given initial expectations about electric vehicle charging.

Nonetheless, to limit any potential adverse impacts, ETI recommends that a TECDA-1 Rider customer be limited to using TECDA-1 Rider for the first five years after initially taking electric service under TECDA-1 Rider and 30,000 KW of load. Also, TECDA-1 Rider will only be available to new customers that are separately metered and that exclusively use electricity to charge electrified transportation equipment for either their own purposes (e.g., a fleet operator) or to provide charging to the public, which may or may not be for compensation. These safeguards will help ensure that TECDA-1 Rider is only being used for its intended purpose and that customers using TECDA-1 Rider have a reasonable length of time for utilization to increase to 15 percent or greater as far as load factor. In the event the customer's load factor improves to 15 percent or greater

[54] I use the term "effective rate" to refer to the common practice of dividing the entire electric bill by usage (kWh) and considering the resulting "per kWh" rate. Since 2017, owners of electric vehicle charging stations can provide electricity to the public for compensation and some providers charge drivers on a per kWh basis. As I explain in more detail, having more stable overall effective electric rates is an important consideration in whether entities will invest in public charging infrastructure.

prior to five years after taking TECDA-1 Rider, the mechanism will automatically adjust, in that the customer will pay the demand charges per the GS Rate Schedule. ETI also plans to monitor utilization of TECDA-1 Rider to ensure the rider is working as intended and to better understand usage patterns and load factors for new separate metered customers using electricity for electrified transportation equipment.

Q29. MR. ABBOTT STATES THE TECDA-1 RIDER WOULD ACTUALLY INCREASE ELECTRIC BILL UNCERTAINTY FOR CUSTOMERS.[55] HOW DO YOU RESPOND?

A. I disagree. Mathematically, the TECDA-1 Rider has the effect of limiting the effective cost per kWh under Rate Schedule GS to a narrow band between $0.15 and $0.20 per kWh based on current PUCT-approved rates and riders (before any applicable taxes and fees). This band is consistent with effective rates[56] for customers with load factors above 15%. Therefore, whether a customer using TECDA-1 Rider has a lower load factor below 15% or a load factor that has increased above 15%, the customer will have an expected effective rate between $0.15 and $0.20 per kWh based on current rates and riders (before any applicable taxes and fees). As such, if a site host customer can reasonably forecast the kWh usage associated with the TE equipment, then they can easily determine a more

[55] Direct Testimony of Mr. Abbott at 10-11.

[56] I use the term "effective rate" to refer to the common practice of dividing the entire electric bill by usage (kWh) and considering the resulting "per kWh" rate.

certain estimated bill by multiplying their month usage (kWh) by the expected effective rate of $0.15 to $0.20 per kWh.

For example, an EV charger at a multi-unit dwelling has usage of 2,000 kWh in October; as such, the customer can calculate 2,000 kWh multiplied by roughly $0.17 per kWh and estimate the bill at $340 (before any applicable taxes and fees). If usage in a future month goes up, the effective rate will remain in that narrow band of $0.15 to $0.20 per kWh. The band does not change for the TECDA-1 Rider customer based on existing PUCT-approved rates and riders. This increased predictability in the effective rate reduces uncertainty. Imagine the opposite situation where an EV charger site host customer does not have the TECDA-1 Rider, using the example from my Direct Testimony,[57] one month the customer incurs an effective rate of $0.35 per kWh with a lower load factor and the next month when utilization goes up the effective rate lowers to $0.20 per kWh. That $0.15 per kWh difference creates an uncertain budgeting situation for a EV charger site host customer. Such a dynamic is likely to inhibit customer desire to install EV chargers with separate electric service. It also creates uncertainty for the EV charger site host customer who is selling electricity to EV drivers and due to EV market conditions, cannot realistically change the price they charge the EV drivers by $0.15 per kWh each month. A customer site that may want to offer public charging access and derive revenue from offering that

[57] Hill Direct at 34, Figure 3.

service to EV drivers may be inhibited from doing so given the potential inability to manage its effective rates.

Q30. WOULD A NON-EV CHARGER CUSTOMER WITH THE SAME LOAD AND USAGE POTENTIALLY PAY MORE THAN THE EV CHARGER CUSTOMER UTILIZING TECDA-1 RIDER, AS MR. ABBOTT ASSERTS?[58]

A. While it is possible that this could happen, early adopting EV site host charging customers are sufficiently different from other existing customers. I believe there are good policy reasons for adopting TECDA for a limited time. TECDA-1 Rider is designed to be a temporary solution for TE infrastructure and equipment because of the unique electricity use case that is often characterized by high levels of demand (kW), but relatively low energy utilization (kWh), especially in the early adoption period. Once adoption increases and the TE industry moves out of the early adoption period, load factors will increase in conjunction with utilization and the TECDA-1 Rider will no longer be necessary. TECDA-1 Rider is deigned to be self-correcting over time and is expected to "phase out" on its own as EV adoption increases in the coming years and EV charging becomes more the norm than the exception. Until that time, without targeted demand charge relief only where and when it is needed (i.e., to new separately-metered accounts serving only EV chargers with lower initial utilization), potential site host charging

[58] Direct Testimony of Mr. Abbott at 11.

customers may be hesitant to install infrastructure and equipment given the potential inability to manage their overall effective rates.

Finally, as stated in my Direct Testimony, ETI recommends that a TECDA-1 Rider customer be limited to using TECDA-1 Rider for a term of five years, ensuring that the TECDA-1 Rider is transitory and only applicable during the early adoption period.

Q31. MR. ABBOTT STATES THAT LOW LOAD FACTOR CUSTOMERS' "CAPACITY OR DELIVERY COSTS PER KWH USED ARE APPROPRIATELY HIGHER."[59] HOW DO YOU RESPOND?

A. I would instead characterize the demand charges in ETI's existing PUCT-approved non-residential rate schedules as appropriately designed to recover demand-related costs from *traditional* electric customers.[60] However the key term in my statement is "traditional" where EV charging customers, in a temporary early adoption period, are not "traditional" electric customers but instead new customers adopting a *new* technology. The challenge with demand charges for EV charging stations and other TE infrastructure is a temporary timing challenge experienced during the early adoption period. In the early adoption period, EV charging stations may experience low utilization, and a lower load factor, because of the low adoption rate of EVs. Once EV adoption grows

[59] Direct Testimony of Mr. Abbott at 10.

[60] Hill Direct at 32.

out of the early adoption period and EV charging becomes more prevalent, EV charging stations' energy utilization (kWh) will increase, the effective cost per kWh will stabilize, and demand charges will no longer be a challenge.

My belief that ETI's rates and demand charges are appropriately designed is also why I disagree with Mr. Wilson's recommendation that ETI develop a long-term demand charge alternative rate for customers providing EV charging services. I believe EV charging customers do not need a long-term demand charge alternative rate, but instead a temporary demand charge rider like the TECDA-1 Rider until the early adoption period has passed.

The proposed TECDA-1 Rider provides targeted demand charge relief only where and when it is needed (i.e., to new separately metered accounts serving only EV chargers with lower initial utilization). The TECDA-1 Rider is designed to provide short-term mitigation of demand charges to advance the adoption of TE infrastructure and equipment. Once the EV market develops sufficiently, and load factors increase above 15%, it is important that customers return to the as-designed non-residential rate schedules and their associated demand charges because demand charges remain an important part of cost-of-service principles traditionally applied to utility rates.

I would use the same reasoning to agree with Mr. Abbott's assertion that for traditional electric customers "rate structures based on non-cost-based rates provide inaccurate price signals that no longer reasonably reflect the actual cost to serve each group of customers, and thus promote inefficient usage of the utility's

system."[61] However, to reiterate, TE customers do not mirror traditional electric customers, most specifically during the early adoption period. TE customers need a temporary short-term mitigation of demand charges to advance the adoption of TE infrastructure and equipment. Once the EV market moves out of the early adoption period, the TE customers will experience higher load factors above 15% and be appropriately served by ETI's non-residential rates.

Q32. MR. EVANS RECOMMENDS "THE UNDER-RECOVERED DEMAND REVENUES THAT RESULT FROM THE APPLICATION OF THE BILLING DEMAND CAP IN THE TECDA-1 RIDER SHOULD NOT BE BORNE BY OTHER CUSTOMERS."[62] HOW DO YOU RESPOND?

A. Mr. Evans' recommendation is misguided, and it is not accurate to describe the revenues spurned by the TECDA-1 Rider as "under-recovered." Rather, the revenues facilitated by the TECDA-1 Rider are incremental and would not exist at all without the demand charge assistance provided by TECDA-1 Rider. In the same manner, I also take exception to Mr. Abbott's claim that "a greater penetration of EV charging stations taking service under the proposed TECDA-1 Rider would result in greater subsidies paid for by other customers."[63] Instead, a greater penetration of EV charging stations (with or without TECDA-1 Rider)

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61 Direct Testimony of Mr. Abbott at 11.

62 Direct Testimony of Mr. Evans at 11.

63 Direct Testimony of Mr. Abbott at 11.

would result in greater net-revenues paid for by participating customers, putting downward pressure on rates for all customers. Further, as in my Rebuttal Testimony above, the results of the RIM test show a net benefit to ETI's customers.

TECDA-1 Rider was designed in response to demand charge challenges communicated by ETI customers[64] and more generally across the industry in many articles, studies, and surveys.[65] More specifically, demand charges serve as a barrier to EV charger adoption. The TECDA-1 Rider is designed to temporarily remove the early adoption demand charge barrier to promote TE infrastructure and equipment installation. As such, more customers will install TE infrastructure and equipment and revenues will increase. Any and all revenue recovered under TECDA-1 Rider customers will be incremental; it would not have been received otherwise. Increased revenues from charging usage would help to cover fixed infrastructure and other costs, and thus put downward pressure on rates for all of ETI's customers.

It is for this same reasoning that I disagree with Mr. Abbott's statement that under TECDA-1 Rider, EV charging stations "pay only a portion of the generation, transmission, and distribution capacity costs which they cause ETI to

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[64] For example, ETI has been told by at least one customer that they no longer plan to install publicly available stations or do any further EV charging station business in ETI's jurisdiction due to unpredictable effective rates.

[65] Rate Design for EV Fast Charging: Demand Charges White Paper; Alliance for Transportation Electrification, Rate Design Task Force; May 27, 2022 - https://evtransportationalliance.org/wp-content/uploads/2022/06/Rate.Design.TF_.Demand-Charge-Paper-Final-5.25.22.pdf and Fitzgerald, Garret and Nelder, Chris, Rocky Mountain Institute EVGo Fleet and Tariff Analysis; March 2017 - https://rmi.org/wp-content/uploads/2017/04/eLab_EVgo_Fleet_and_Tariff_Analysis_2017.pdf.

incur." As shown by the RIM test results and discussed above in my Rebuttal Testimony, the incremental benefits of TECDA-1 Rider are more than the costs associated with providing the TECDA-1 Rider. In this case, the RIM test shows that material generation, transmission, and distribution costs are not incurred due to the addition of these customers. As such, Rider TECDA is expected to produce a net benefit to all customers with increased revenue and to apply downward pressure on rates. All customers will benefit from the expanded adoption of TE infrastructure and equipment encouraged with TECDA-1 Rider.

Q33. MR. EVANS RECOMMENDS TECDA-1 RIDER SHOULD EXPIRE OR REQUIRE RE-APPROVAL IN THE NEXT BASE RATE CASE.[66] DO YOU AGREE?

A. No. TECDA-1 Rider is before the Commission in the current base rate case and requiring a future Commission to consider the same TECDA-1 Rider again would be duplicative and lead to avoidable costs to ETI customers. Further, the uncertainty that an expiration and re-approval of TECDA-1 Rider would cause could constrain future EV infrastructure expansion if site hosts cannot reasonably rely on the existence of tariffs in the future.

[66] Direct Testimony of Mr. Evans at 11.

Q34. MR. EVANS RECOMMENDS THAT ALL TE RELATED ISSUES, INCLUDING THE TECI-1 RIDER AND THE TECDA-1 RIDER, BE ADDRESSED IN A SEPARATE CASE.[67] HOW DO YOU RESPOND?

A. I believe the TECI-1 Rider and the TECDA-1 Rider should remain in this rate case to provide a quicker path to move forward infrastructure and equipment installation for TE, shore power, and EV charging for ETI's customers in Southeast Texas. If the TECI-1 Rider and the TECDA-1 Rider were to be postponed and addressed in a separate case, it would slow the adoption of TE in ETI's service territory. Further, including the ETI proposed riders in this proceeding is consistent with comments provided by Commissioner Glotfelty and Commissioner McAdams at the October 14, 2022 Open Meeting.

Q35. WHY IS IT IMPORTANT FOR THE COMMISSION TO ACT TIMELY TO CONSIDER THE PROPOSED ETI TECI-1 RIDER AND TECDA-1 RIDER?

A. With rising adoption trends as discussed in my Direct Testimony,[68] as well as TE specific federal funding available through National Electric Vehicle Infrastructure Formula Program ("NEVI") fund program,[69] the adoption of TE in Texas is expected to rapidly accelerate with the right infrastructure support. The TECI-1 Rider and the TECDA-1 Rider both provide ETI customers the TE support they

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67 Direct Testimony of Mr. Evans at 11.

68 Hill Direct at 4-6.

69 *See* https://www.txdot.gov/projects/projects-studies/statewide/texas-electric-vehicle-planning-03-22-22.html.

will need in order to install TE infrastructure and equipment and to operate that equipment with demand charge relief for the early adoption period. The Texas Department of Transportation ("TxDOT") has a five-year time-line to provide NEVI funding to local government and their partners to install qualifying EV chargers. A separate proceeding could significantly delay the ability of various market participants to utilize potential NEVI funding to install chargers using the TECI-1 Rider and the TECDA-1 Rider. In fact, as stated by Chairman Lake in the October 6, 2022 Open Meeting of the PUCT "this is an instance where the market is moving faster than policy is, and so while it is not a perfect process we need to address it...."[70]

Of note, in a July 2021 white paper published by the International Council on Clean Transportation ("ICCT"), the authors predicted the need for an increase of 27% annually in public and workplace chargers to support electric vehicle growth through 2030.[71] The report concludes on the need for broad charging infrastructure investments that will be needed at multi-unit dwellings to support apartment residents. Specifically, the report states:

> "EV charging will need to grow at greater rates in many rural areas and across the Midwest and South. Lower-income communities will need persistent investments, amounting to about 30% of chargers and charging investments through 2030, to ensure equitable infrastructure access."[72]

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[70] *See* https://www.adminmonitor.com/tx/puct/open_meeting/20221006/.

[71] Bauer, Gordon, et al. The International Council on Clean Transportation, 2021, Charging Up America: Assessing the Growing Need for U.S. Charging Infrastructure Through 2030, https://theicct.org/wp-content/uploads/2021/12/charging-up-america-jul2021.pdf at i.

[72] *Id.*

ETI's proposed TECI-1 Rider specifically targets the infrastructure gaps in EV charging infrastructure at multi-unit dwellings, workplaces, schools, hospitals, and similar host sites, as it would create a mechanism by which those entities can provide access to EV chargers to their tenants, employees, students and faculty, and visitors. As discussed in my Direct Testimony, TECI-1 Rider is also very flexible in that the EV charger host customer can decide what level of investment to make; in other words, the EV charger host customer will decide whether ETI only owns the distribution infrastructure, also owns the make-ready infrastructure, and has the choice of whether ETI or the EV charger host customer owns and maintains the EV charger(s) itself. Further, whether or not ETI owns and maintains any or all of the equipment via TECI-1 Rider, the EV charger host customer decides who has access to the equipment, whether there will be any fees associated with its use, etc., with the EV charger host customer paying for the investment through the customer's monthly electric bill. The Company strongly believes that TECI-1 Rider will expand access to EV charging infrastructure in many instances where host customers may be hesitant to invest given capital constraints, lack of familiarity with maintaining equipment, etc.

Given the considerable need for TE and EV infrastructure and equipment installations just within the next few years, many participants will need to construct public chargers, and ETI's proposed TECI-1 Rider and TECDA-1 Rider seeks to provide the support and customer service our site host customers will need.

Q36. MR. WILSON RECOMMENDS THAT ETI REMOVE THE FIVE-YEAR LIMITATION ON EACH CUSTOMER'S ABILITY TO UTILIZE THE TECDA-1 RIDER.[73] HOW DO YOU RESPOND?

A. I do not believe that eliminating the five-year limit on each customer's ability to utilize the TECDA-1 Rider would be reasonable. The five-year limit for each qualifying customer electing to participate in TECDA-1 Rider was added as a safeguard that helps limit potential impacts on other customers during the early adoption period that I described in my Direct Testimony. As I discussed in my Direct Testimony, the TECDA-1 Rider is designed to address demand charge challenges experienced by owners and operators of EV chargers in the early adoption period. The TECDA-1 Rider is not intended to provide demand charge relief in perpetuity, but rather provide transitional relief during the early adoption period. Setting a five-year limit per customer electing to use the TECDA-1 Rider is reasonable and is an adequate amount of time to support the increase in utilization that will otherwise improve the site's load factor to where the TECDA-1 Rider is no longer necessary.

[73] Direct Testimony of Mr. Wilson at 4.

Q37. MR. WILSON RECOMMENDS AN INCREASE IN THE PROPOSED CAP ON PARTICIPATING EV CHARGING LOAD FROM 30,000 KW TO 50,000 KW.[74] WHAT IS YOUR RESPONSE?

A. I believe that the 30,000 kW cap is sufficient to serve the needs of customers adopting TE in ETI's service territory during the early adoption period. Importantly the 30,000 kW limit for the TECDA-1 Rider was added as a safeguard that helps limit potential impacts on other customers during the early adoption period that I described in my Direct Testimony. In his testimony, Mr. Wilson cites that "that there will be one million EVs on the road in Texas by 2028,"[75] but fails to recognize that number is a statewide projection and ETI serves only a small portion of the state of Texas. The projections for the ETI service territory would be far less, and as such the "demand for EV charging services" would be less than Mr. Wilson alludes to in his Direct Testimony. Mr. Wilson then equates the 30,000 kW cap on the TECDA-1 Rider to "enrollment at 50 charging sites" that are NEVI eligible with "600 kW of connected charging per site." Again, ETI serves a relatively small portion of Texas and will not have a need for 50 NEVI eligible sites with 600 kW of connected charging at each site. In fact, according to the TxDOT NEVI plan, there is only <u>one</u> location in ETI's service territory (Winnie TX on Interstate 10) that is eligible for NEVI funds to install 600 kW connected charging in order to

[74] Direct Testimony of Mr. Wilson at 4.

[75] Direct Testimony of Mr. Wilson at 21.

help complete the Alternative Fuels Corridor. Rather than focus exclusively on NEVI-funded sites, the TECDA-1 Rider can help address the challenges that demand charges can cause during the early adoption period for many EV charger site hosts, with varying loads, and an array of electrification needs, many with lower loads than the 600 kW level that Mr. Wilson suggests will be the typical scenario.

Notably, in years 2-5 of the TxDOT NEVI plan, TxDOT will fund both Direct Fast Charger ("DCFC") and Level 2 stations. Other site host examples include: a multi-unit housing complex may install three level 2 chargers totaling up to 30 kW of available charging load; a retail store may install one 50 kW DCFC; and an elementary school with an electric bus may install a 125 kW DCFC. TECDA-1 Rider is designed to help site hosts install EV charging stations across ETI's service territory for a number of uses and needs. Since not every site host will be installing chargers with loads of 600 kW, more than 50 charging site hosts, as sited by Mr. Wilson, will be able to elect to participate in the TECDA-1 Rider, and the 30,000 kW cap should be sufficient.

Q38. MR. WILSON RECOMMENDS "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."[76] WHAT IS YOUR RESPONSE?

A. The TECDA-1 Rider was developed to facilitate and encourage investment in TE infrastructure and equipment and foster greater adoption of EVs and other similar equipment by customers. ETI believes that the challenges that demand charges present, as I discuss in my Direct Testimony,[77] have prevented some customers from installing TE infrastructure and equipment. The TECDA-1 Rider is designed to help move TE adoption forward and assist those customers who have not yet adopted TE, but want to adopt TE. Similarly, when TxDOT opens the NEVI application process, only applications with plans to install an EV site will be eligible, and the EV stations that have already been installed will not be eligible to apply for reimbursement. As such, eligibility on a forward-looking basis is appropriate.

IV. CONCLUSION

Q39. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

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[76] Direct Testimony of Mr. Wilson at 4.

[77] Hill Direct at 31.

AFFIDAVIT OF SAMANTHA F. HILL

THE STATE OF LOUISIANA)
)
PARISH OF ORLEANS)

This day, Samantha F. Hill the affiant, appeared in person before me, a notary public, who knows the affiant to be the person whose signature appears below. The affiant stated under oath:

My name is Samantha F. Hill. I am of legal age and a resident of the State of Louisiana. The foregoing testimony and exhibit offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.

Samantha F. Hill

SUBSCRIBED AND SWORN TO BEFORE ME, notary public, on this the 16th day of November 2022.

Notary Public, State of Louisiana

My Commission expires:

Alyssa A. Maurice
LA Bar #28388-LA Notary 68053
Notary Public in and for the
State of Louisiana
Commission Issued for Life

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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

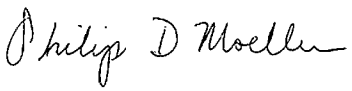
16 *See* Edison Electric Institute, "SCE's Charge Ready Initiative Provides Fast Charging Options Throughout California," September 7, 2022, https://theelectricgeneration.org/2022/09/7/sces-charge-ready-initiative-provides-fast-charging-options-throughout-california

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,



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[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