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**APPLICATION OF ENTERGY
TEXAS, INC. FOR AUTHORITY
TO CHANGE RATES**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARING**

CHARGEPOINT, INC'S REPLY BRIEF

JANUARY 27, 2023

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ChargePoint Inc. (ChargePoint) submits this Reply Brief in accordance with the schedule established in the Public Utility Commission of Texas’ (Commission) SOAH Order No. 14, filed on December 28, 2022 in the above-captioned proceeding.

I. Introduction

The Commission’s August 4, 2022 Preliminary Order posed two questions for parties stemming from ETI’s proposed Rider TECI and Rider TEDCA.¹ Specifically, Issue 68 asked whether it is “appropriate for an electric utility in a vertically integrated area to own vehicle charging facilities or other transportation electrification and charging infrastructure, or should the ownership of such facilities be left to competitive providers?”² Issue 69 asked: “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?”³

¹ Preliminary Order, p. 15.

² *Id.*

³ *Id.*

ChargePoint filed its initial brief on January 13, 2023 addressing these issues and offering several recommendations. First, ChargePoint recommended that the Commission approve Rider TECI. This rider will support the competitive EV charging market because, under ETI's proposal, site hosts will be able to choose their preferred charging equipment and network service provider. This program feature should be an explicit condition of the Commission's approval of Rider TECI. Second, ChargePoint recommended that the Commission direct ETI to ensure that all marketing and education materials for Rider TECI are vendor neutral. Third, ChargePoint recommended that the Commission approve Rider TEDCA with modifications to (a) remove the five-year limitation on customer participation; (b) increase the proposed cap on participating EV charging load from 30,000 kW to 50,000 kW; and (c) allow all separately metered charging sites that meet the applicable load requirements to participate in Rider TEDCA, regardless of when the charging site became operational. Fourth and finally, ChargePoint recommended that the Commission direct ETI to propose a long-term EV charging rate that provides an alternative to traditional demand-based rates as a part of its next rate case.

ChargePoint continues to support these recommendations and appreciates the opportunity to respond to the initial briefs filed by other parties. Any issues not addressed in this reply brief should not be construed as support or opposition for those issues.

II. Preliminary Order Issue No. 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?

EV ownership is expected to increase substantially in the coming years. To meet the increased demand, vertically integrated utilities can play a pivotal role. Toward that end, ChargePoint witness Wilson explained why the make-ready model of utility ownership is perhaps

the most effective type of utility investment in EV charging infrastructure.⁴ He also explained why utility ownership of EV make-ready infrastructure has a positive impact on the competitive EV market, and how limited utility ownership of EV chargers themselves can also support the market, provided that site hosts can choose the charging equipment and network that works best for them.⁵

A. Utility ownership of make-ready infrastructure can spur EV competitive market growth by removing a substantial cost barrier to market entry.

ChargePoint supports utility ownership of *EV charging make-ready infrastructure*. Under the make-ready model, the utility provides (either directly or through an incentive payment) all of the wiring, conduit, trenching, and civil construction work on both the customer-side and the utility-side of the meter needed to provide power to the EV chargers, which are owned and operated by the site host.⁶ As highlighted by ChargePoint witness Wilson, this approach mitigates a substantial cost barrier to EV market entry and provides other benefits.⁷ Americans for Affordable Clean Energy (AACE) agrees, noting that “an electric utility constructing, owning, and maintaining make-ready EV charging infrastructure would provide the proper support for site hosts to invest in EV charging stations by eliminating the cost barrier of the make-ready EV charging infrastructure that site hosts would otherwise confront when opting to provide EV charging services to customers.”⁸

⁴ ChargePoint Ex. 1.0, pp. 7-9.

⁵ *Id.*

⁶ *Id.*, pp. 7-8.

⁷ *Id.*

⁸ AACE Init. Br., p. 3.

Staff, on the other hand, seemingly lumps utility ownership of make-ready infrastructure and utility ownership of EV chargers together when analyzing the effect on the competitive market. In doing so, Staff broadly concludes that “it is not appropriate for ETI and similarly situated vertically integrated utilities to own vehicle-charging facilities or other transportation electrification and charging infrastructure” and that “such ownership should be left to the competitive market through customers and third parties.”⁹

But Staff overlooks a key distinction. Namely, the impact of utility ownership of *make-ready infrastructure* on the competitive EV market is separate and distinct from the impact of utility ownership of EV *charging stations* on the competitive EV market. Staff contends that “there is potential for ownership by vertically integrated utilities... to hinder participation and further development of the competitive market for transportation electrification and charging infrastructure.”¹⁰ But Staff offers no evidence to support this contention as it relates to make-ready infrastructure.

The record demonstrates that utilities providing make-ready infrastructure to support EV charger deployment by non-utility site hosts is a common and effective model of utility investment in transportation electrification that provides several advantages over direct utility ownership of chargers.¹¹ First, by significantly reducing the upfront cost of installing chargers, a utility make-ready program encourages site hosts to deploy chargers for the benefit of EV drivers.¹² Second, because site hosts share in the total cost of installing chargers, site hosts are invested in the

⁹ Staff Init. Br., p. 1.

¹⁰ *Id.*

¹¹ ChargePoint Init. Br., pp. 4-5.

¹² *Id.*, p. 4.

chargers' success.¹³ Third, because the utility is not paying the total cost of deployment, a given budget can support a larger total number of chargers.¹⁴ Fourth, a make-ready model avoids the market distortions that arise from a utility offering a competitive service while recovering revenue shortfalls from ratepayers.¹⁵ Finally, by providing site hosts with a choice of equipment and network service provider, make-ready programs stimulate competition, innovation, and increased customer choices in EV charging services, which benefits EV drivers.¹⁶ ChargePoint witness Wilson also explains how make-ready incentive programs are common around the country and have proven effective at encouraging deployment of public EV charging, as well as the deployment of Level 2 chargers and DCFCs designed for other use cases such as fleets, workplaces, and multi-family housing.¹⁷

The record shows that the make-ready model has worked effectively for utilities in other states to support transportation electrification without risk of distorting the competitive EV charging market.¹⁸ This model has the same potential in Texas, so long as site hosts are able to choose their charging equipment and service provider. Neither Staff nor any other party has shown otherwise. Accordingly, the Commission should find that it is appropriate for ETI to own make-ready infrastructure. Limited utility ownership and operation of EV chargers may also be appropriate, on the condition that site host choice of equipment and network remains foundational elements of the program.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*, p. 5.

¹⁷ ChargePoint Ex. 1.0, pp. 7-8.

¹⁸ *Id.*

B. Limited utility ownership of EV chargers is unlikely to distort the market so long as site host choice remains a foundational element of the program.

As ChargePoint witness Wilson explained, limited utility ownership of EV charging facilities or other transportation electrification and charging infrastructure is appropriate *under the right circumstances*. So long as site hosts can choose the charging solution that works best for them, the competitive dynamics that exist in the absence of a utility program will function within the confines of the utility program, to the benefit of customers.¹⁹

EV charging is typically a service provided by non-utilities, including both dedicated EV charging service providers and other commercial site hosts²⁰ that offer charging services to complement their primary businesses, such as convenience stores, restaurants, and retailers. As competitive businesses, site hosts must recover the cost of providing EV charging services either through the charges paid by EV drivers or by supporting sales of their primary products or services, such as a coffee shop that attracts more patrons by installing EV chargers in its parking lot, or both.²¹

Many aspects of a site host's deployment decisions, including how many chargers to install, where to install them, which equipment vendor and network service provider to use, and how much to charge EV drivers, are influenced by these competitive pressures. This in turn fosters competition between EV charging equipment vendors and network service providers, who are pushed to provide more innovative products and services, along with a variety of choices to site

¹⁹ ChargePoint Ex. 4.0, p. 4.

²⁰ "Site host" refers to the owner or lessor of the property on which an EV charging station is located. Site hosts include residential customers; owners of multifamily housing units (MFH); commercial customers that offer charging to the public, their customers, and/or their employees; fleet owners; and government entities.

²¹ ChargePoint Ex. 1.0, pp. 6-7.

hosts at competitive prices.²² The same competitive pressures do not exist for electric utilities because they can recover all or a portion of the cost of providing EV charging stations and infrastructure from their rate-payers.²³ Absent site host choice being a feature of a utility program, the utility could procure a single equipment and/or network services provider, which would limit the choices available to the site host to meet their needs and preferences. Because ETI's proposal includes site-host choice, ChargePoint supports it. The Commission should ensure that site host choice remains a foundational part of ETI's proposed Rider TECI program. ChargePoint also notes that the fact that site hosts participating in Rider TECI will pay ETI for the full cost of the charging equipment (if they opt for ETI to own the chargers) further ensures that Rider TECI will not distort or harm the competitive EV charging market.

C. Site hosts should be allowed to choose their preferred EV charging equipment and network service provider and set the pricing to EV drivers at stations which they host

SPS argues that for utility-owned charging stations (EVSE), "it is appropriate for the utility to set pricing for customers in accordance with Commission-approved tariffs."²⁴ Further, according to SPS, "[r]egarding software, to keep costs reasonable, support operations, maintain security, ensure reliable and consistent data management, and ensure integration into operations and billing, it is imperative that the utility have a consistent, single software solution for these installations."²⁵

²² *Id.*

²³ *Id.*

²⁴ SPS Init. Br., p. 17.

²⁵ *Id.*

ChargePoint disagrees. As ChargePoint witness Wilson explains, allowing site hosts to determine the prices to charge EV drivers and to set pricing policies (such as dwell charges that apply after a vehicle is finished charging) is also critical to empowering site hosts to achieve their unique goals.²⁶ For example, a big box retailer may want to offer free charging for the first hour to encourage EV drivers to visit the store and do some shopping and then begin charging a nominal fee to encourage them to make the charger available to other EV drivers. Or a multi-family housing owner may want to offer free charging to tenants but charge a fee to visitors. Similarly, a school may want to charge a low fee during school hours for teachers and staff and a higher fee during other hours for visitors using the school's soccer field. Site hosts have diverse goals. To support these needs and preferences, site hosts must be able to set the prices charged to EV drivers, even if the utility owns the EV charging station.²⁷

Far from it being “imperative” that the utility have a single software solution for utility-owned chargers, ETI found that it is both workable and appropriate to allow site hosts to choose their preferred network service provider for chargers deployed on their property. As discussed, ChargePoint's support for Rider TECI hinges on site host choice being a feature of the program. By approving ETI's proposed Rider TECI, the Commission need not and should not approve SPS's apparent preference for restricting site host choice.

For the reasons explained above, the Commission should find that it is appropriate for utilities to own make-ready infrastructure to support EV chargers. Further, the Commission should find that it can be appropriate for utilities to have limited ownership of EV chargers, provided that

²⁶ ChargePoint Ex. 1.0, p. 11.

²⁷ *Id.*, pp. 6-7.

site hosts may choose their preferred EV charging equipment and network service provider and set the prices charged to EV drivers.

III. Preliminary Order Issue No. 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?

A. Transportation Electrification and Charging Infrastructure (“TECI”) Rider

Under Rider TECI, ETI proposes to partner with non-residential customers to install EV charging infrastructure and equipment on customers’ property.²⁸ ETI would construct, own, operate, and maintain only the portion of the charging infrastructure and equipment that the customer does not want to own and/or maintain itself, up to and including the actual charging equipment.²⁹

ChargePoint continues to support the TECI-1 Rider for the reasons explained above and in ChargePoint’s initial brief. To ensure that Rider TECI supports competition, the Commission should approve Rider TECI with the explicit requirement that ETI allow site hosts that participate to choose their preferred charging equipment and network services provider from a list of prequalified vendors. Further, the Commission should direct ETI to ensure that all marketing and educational materials for Rider TECI are vendor neutral.

²⁸ ETI Ex. 40, p. 8.

²⁹ *Id.*

B. Transportation Electrification and Charging Demand Adjustment (“TEDCA”) Rider

Under Rider TEDCA, ETI proposes to provide demand charge relief to customers with separately metered charging equipment taking service under Rate Schedule GS.³⁰ Under Rate Schedule GS, with Rider TEDCA applied, the billed demand for a customer during a particular billing period would be the lesser of: (a) the measured demand (kW), as conventionally determined under Schedule GS; or (b) demand (kW) as calculated based on actual usage adjusted to a 15% load factor.³¹

ChargePoint continues to support the TEDCA Rider, for the same reasons outlined in ChargePoint’s initial brief and ChargePoint witness Wilson’s direct and cross-rebuttal testimony. If approved, Rider TEDCA would provide meaningful relief from demand charges to site hosts and encourage greater investment in EV charging infrastructure. To increase the effectiveness of Rider TEDCA, ChargePoint continues to recommend the slight modifications proposed in ChargePoint’s initial brief and summarized below:

- Approve Rider TEDCA with the following modifications:
 - Remove the five-year limitation on customer participation.
 - Increase the proposed cap on participating EV charging load from 30,000 kW to 50,000 kW.
 - Allow all separately metered charging sites that meet the load requirements to participate in Rider TEDCA, regardless of when the charging site became operational.

³⁰ *Id.*, p. 27.

³¹ *Id.*

IV. Conclusion

For the foregoing reasons, ChargePoint respectfully urges the Commission to adopt the following recommendations, as set out in its initial brief and reply brief:

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

Respectfully submitted on January 27, 2023,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record on January 27, 2023:

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