



Filing Receipt

Filing Date - 2024-03-28 02:04:36 PM

Control Number - 55338

Item Number - 57

**SOAH DOCKET NO. 473-24-07154
PUC DOCKET NO. 55338**

PROCEEDING TO RESOLVE ISSUES IN	§	BEFORE THE STATE OFFICE
DOCKET NO. 53719 RELATED TO	§	
TRANSPORTATION ELECTRIFICATION	§	OF
AND CHARGING INFRASTRUCTURE	§	ADMINISTRATIVE HEARINGS

**AMERICANS FOR AFFORDABLE CLEAN ENERGY’S
STATEMENT OF POSITION**

COMES NOW, Americans for Affordable Clean Energy (AACE) and file this Statement of Position in the above referenced proceeding pursuant to 16 Texas Administrative Code (TAC) § 22.124. AACE respectfully shows as follows:

I. INTRODUCTION

Entergy Texas, Inc. (ETI or Company) filed an application requesting to change its rates with the Public Utility Commission of Texas (Commission) on July 1, 2022.¹ On December 1, 2022, two issues relating to electric vehicle (EV) charging, Issue Nos. 68 and 69, were severed from the hearing and instead decided on written submission.² The Administrative Law Judge (ALJ) filed her Proposal for Decision (PFD) on June 19, 2023.³ After the PFD was filed, the parties to the proceeding filed an unopposed agreement that addressed all issues in the preliminary order except for Issue Nos. 68 and 69, and the Transportation Electrification and Charging Infrastructure Rider and the Transportation Electrification and Charging Demand Adjustment Rider. On August 16, 2023, the Commission ordered that Issue Nos. 68 and 69 be severed from Docket No. 53719 and placed the issues into the new Docket No. 55338, *Proceeding to Resolve Issues in Docket No. 53719 Related to Transportation Electrification and Charging Infrastructure*.⁴

¹ *Application of Entergy Texas, Inc. for Authority to Change Rates*, Docket No. 53719, ETI’s Statement of Intent and Application for Authority to Change Rates (July. 1, 2022).

² Docket No. 53719, SOAH Order No. 11 – Memorializing Prehearing Conference and Motions to Consolidate (Dec. 1, 2022).

³ Docket No. 53719, SOAH Proposal for Decision with Memorandum (Jun. 19, 2023).

⁴ Docket No. 53719, Order Severing Issues (Aug. 16, 2023).

AACE did not file direct testimony, but has reviewed the application in Docket No. 53719, discovery responses, and all testimony filed by ETI and the Staff of the Public Utility Commission (Staff) and Intervenor in both Docket Nos. 53719 and 55338, and takes the following positions on these issues:

II. STATEMENT OF POSITION

AACE is a non-profit organization with membership inside ETI's service territory. AACE's members include owners and operators of convenience stores, public travel facilities, and truck stops that already provide fuel and other goods, services, and amenities throughout Texas and across the United States. AACE's members have an interest in installing, owning, and operating EV charging stations in Texas. On behalf of its members, AACE has been involved with and continues to participate in this proceeding in order to ensure that ETI's proposed EV Riders support the continued growth of the EV market in Texas while protecting the competitive nature of the market.

Transportation Electrification and Charging Infrastructure (TECI) Rider

AACE supports Senate Bill 1002 and appreciates ETI's efforts to alter its proposed TECI Rider for consistency with Senate Bill (SB) 1002, codified at Public Utility Regulatory Act (PURA) Chapter 42. Based upon ETI's revisions to the TECI rider, AACE is not opposed to Commission approval. However, AACE is also supportive of Staff witness William B. Abbott's suggestion in his Supplemental Direct Testimony to establish an EV base rate class with standard EV rates.⁵ EV fast charging stations require high levels of capacity to deliver a large amount of electricity in a short period of time. This typically subjects EV charging stations to costly demand charges, which is a rate design component that was not developed with EV charging load in mind. Not only do demand charges make charging stations uneconomical but they are also difficult for businesses to pass on to customers because they are not the actual energy cost to the customer and may not be known until the end of the month. These uncertain and high demand charges discourage private investments by making it impossible for private businesses to recover their costs accurately and efficiently. An EV base rate class would mitigate some of these demand charges, allow the Commission to ensure that all rates are just and reasonable, and certify that no

⁵ Supplemental Direct Testimony of William B. Abbott at 14 (Mar. 5, 2024).

additional costs related to ETI investing in EV charging infrastructure are being borne by non-EV customers. Thus, AACE believes Staff's suggestion to create an EV base rate class has merit.

Importantly, it is AACE's position that the best route forward in this proceeding is for the Commission to adopt a proposal that would allow for ETI and other electric utilities to invest in EV make-ready infrastructure and support private business investment in EV charging. AACE's concern lies with the expediency of approval of a path forward, as both ETI and Staff's proposals have merit, comply with SB 1002, and would encourage private investment.

Transportation Electrification and Charging Demand Adjustment (TECDA) Rider

AACE maintains its position in support of the Commission approval of the TECDA Rider to the extent that it could offer demand relief which would benefit site hosts, which encourages investment in EV charging.⁶ Demand charges make it very challenging for private companies to offer electricity to EV drivers at a price that is competitive with gasoline or diesel and are one of the greatest barriers to entry into the EV charging market by private businesses. The TECDA Rider is a reasonable effort to mitigate the inherent barrier that demand charges pose to EV investment. However, AACE does not believe the TECDA Rider should be limited to the first five years after initially taking electric service and at 30,000 KW of load.⁷ AACE believes this limitation on KW of load should be increased in order to allow site hosts full relief from the high demand charges faced when investing in EV charging stations. Applying the proposed demand relief to only the first 30,000 KW of load would not provide for many EV charging sites for private businesses. Many of those businesses would be limited to either the number of chargers in which they could invest, or they would be forced to face sporadic, high demand charges for a portion of their chargers. AACE further supports ChargePoint's position that the TECDA Rider should not be limited to five years because of the sporadic, high demand charges that could remain an issue even after five years.⁸ As discussed above, EV fast charging stations result in high, unpredictable demand charges that site hosts cannot recover accurately, discouraging private businesses from investing in EV chargers. High demand charges may extend beyond the first five years or 30,000 KW of load.

⁶ Docket No. 53719, AACE Initial Brief at 7 (Jan. 13, 2023).

⁷ Docket No. 53719, Rebuttal Testimony and Exhibits of Samantha F. Hill at 32 (Nov. 16, 2022).

⁸ Docket No. 53719, Direct Testimony of Justin D. Wilson at 20 (Oct. 26, 2022).

AACE understands the importance of having limitations in place in order to protect those customers who are non-qualifying TECDA Rider customers from subsidizing costs borne under the Rider. However, an increase in these limitations, further limiting demand charges, would encourage investments in EV charging stations by private, unregulated businesses, which would allow for the proliferation of EVs in Texas.

III. CONCLUSION

AACE supports the TECDA Rider and the changes to the TECI Rider made by ETI to comply with SB 1002. AACE also supports Staff's suggestion of an EV base rate class. AACE reserves the right to amend or supplement this statement of position, and/or take action in this docket as may be necessary. AACE reserves the right to adopt any testimony filed by other intervenors which would be consistent with AACE's position. AACE further explicitly reserves the right to participate in the hearing on the merits, cross examine witnesses, and offer oral and written argument on April 5, 2024, and to participate in briefing on April 15, 2024 and April 25, 2024. Finally, AACE requests all relief to which may show itself justly entitled.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)
jmauldin@lglawfirm.com
smiller@lglawfirm.com




JAMIEL L. MAULDIN
State Bar No. 24065694

SAMANTHA N. MILLER
State Bar No. 24121515

**ATTORNEYS FOR AMERICANS FOR
AFFORDABLE CLEAN ENERGY**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 28, 2024 in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN