



March 31, 2023

Public Utility Commission of Texas

Re: Docket/Control # 53719 – PROPOSAL BY ENTERGY TEXAS FOR TRANSPORTATION ELECTRIFICATION AND CHARGING INFRASTRUCTURE (TECI) AND TRANSPORTATION ELECTRIFICATION AND CHARGING DEMAND ADJUSTMENT (TECDA) RIDERS

Dear Commissioners,

Thank you for the opportunity to provide input for the record on the two proposals for voluntary rate riders relating to transportation electrification put forward by Entergy Texas. The Center for Climate and Energy Solutions (C2ES) is writing in support of both proposals.

To avoid the worst impacts of climate change, we must rapidly decarbonize economywide. Texas and the Gulf Coast region are no strangers to increasingly expensive, damaging, and devastating events, like Winter Storm Uri and Hurricane Harvey, which have become even more frequent and likely due to increasing concentrations of greenhouse gases in our atmosphere.

The transportation sector is currently the highest emitting sector of the U.S. economy, and a key strategy for decarbonizing this sector is electrification. Thankfully, the shift to electric vehicles (EVs) is already happening at an accelerating pace across the state. In 2021, nearly 81,000 new battery electric vehicles were registered in Texas, an increase of 54 percent from the previous year.<sup>1</sup> To accommodate existing vehicles and accelerate future adoption, charging infrastructure must be greatly expanded, i.e., widely accessible, reliable, and affordable.

Many EV drivers can install charging at home, integrating their additional electricity demand into their existing residential bill. Drivers with home charging access perform around 75 percent of all charging at home.<sup>2</sup> However, many drivers — especially renters and residents of multifamily dwellings — are unable to install home charging and must rely on publicly accessible or shared charging infrastructure. Property owners of multifamily residences, businesses with accessible parking, and municipal buildings can install publicly or privately accessible charging infrastructure to serve these drivers and enable electrification in their communities or among their own vehicle fleets.

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<sup>1</sup> Alternative Fuels Data Center, “Vehicle Registration Counts by State,” Accessed March 29, 2023, <https://afdc.energy.gov/vehicle-registration>.

<sup>2</sup> Hauke Engel et al., “Charging ahead: Electric-vehicle infrastructure demand,” *McKinsey & Company*, Article, August 8, 2018, <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/charging-ahead-electric-vehicleinfrastructure-demand>.

Particularly because EVs are a relatively new technology, many drivers or fleet operators report that insufficient access to charging prevents them from switching to an EV.<sup>3</sup> Charging infrastructure build-out must therefore occur at a rapid pace and scale, even before EVs are widely adopted. This creates an extra up-front cost burden for the owner of the charging infrastructure. This is particularly true for owners of public charging infrastructure. While providing a necessary service, they may still see very low rates of utilization of their equipment in the early years of its operation as the surrounding community grows its share of EVs.

Non-residential utility customers have several options for installing charging, with different degrees of ownership over the parts of the charger in relation to the utility. Most commonly, the customer can install third-party charging infrastructure and take on ownership of operations and maintenance for everything after the meter. In this scenario, the utility only maintains the distribution service up to the meter. The alternative Entergy Texas proposes in its Transportation Electrification and Charging Infrastructure (TECI) rider is a more integrated approach on the side of the utility — it would allow the utility to own and operate the infrastructure after the meter either up to or including the EV charger.

Setting up the system this way would shift the costs of operation from the utility customer to the utility, which would recoup them through a fixed monthly fee over the course of up to ten years. For an individual utility customer wishing to host charging infrastructure, this program would lower the up-front cost barriers to entry and support longer-term operation at a fixed price. Additionally, it would benefit all drivers by ensuring longevity of operations and maintenance through the utility over the course of the program; a major challenge currently for some early-generation charging stations is lack of continuity among operators or loss of support when the original operator goes out of business and ceases to maintain the infrastructure.<sup>4</sup>

While building out publicly accessible charging infrastructure benefits all prospective EV drivers, shifting costs to customers not directly involved in charging station decision-making may pose an undue cost burden on these customers. Entergy Texas electricity customers that wish to utilize the public charging infrastructure can opt in to the program and will see charges clearly reflected on their regular electricity bill. C2ES supports Entergy Texas's proposal to limit the rider to customers who choose to participate in the program rather than imposing costs across all of its other customers.

C2ES also supports Entergy Texas's second rider, the Transportation Electrification and Charging Demand Adjustment (TECDA) Rider, which will temporarily reduce electric bill uncertainty caused by low adoption rates and utility demand charges for separately metered charging equipment. This rider would help to minimize the up-front cost burden on charging infrastructure operators in the earlier stages of adoption when utilization is low, mentioned above. The most critical time for investment in building out charging infrastructure is now, in anticipation of future acceleration of EV adoption. This rider will help to support earlier build-out of this necessary charging infrastructure.

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<sup>3</sup> Jeff S. Bartlett, *Battery Electric Vehicles & Low Carbon Fuel Survey* (New York: Consumer Reports, 2022), [https://article.images.consumerreports.org/image/upload/v1657127210/prod/content/dam/CRO-Images-2022/Cars/07July/2022\\_Consumer\\_Reports\\_BEV\\_and\\_LCF\\_Survey\\_Report.pdf](https://article.images.consumerreports.org/image/upload/v1657127210/prod/content/dam/CRO-Images-2022/Cars/07July/2022_Consumer_Reports_BEV_and_LCF_Survey_Report.pdf).

<sup>4</sup> David Rempel et al., *Reliability of Open Public Electric Vehicle Direct Current Fast Chargers* (Berkeley, CA: University of California, Berkeley, Cool the Earth, and SLAC National Accelerator Laboratory, 2022), <https://arxiv.org/pdf/2203.16372.pdf>.

Entergy has made a significant commitment to clean electricity generation, including achieving net-zero carbon emissions by 2050. As a long-serving member of our Business Environmental Leadership Council, Entergy has made consistent progress in its efforts to significantly reduce carbon pollution and prioritize climate resilience measures. C2ES supports Entergy's proposed riders in service of these goals.

Thank you for your consideration of C2ES's comments on this matter.

Sincerely,

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