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September 27, 2022

Mrs. Lora W. Johnson, Clerk of Council
New Orleans City Council
Joint Utility, Cable, Telecommunications and Technology and Climate Change and Sustainability Committee
1300 Perdido Street, Room 1E07
New Orleans, LA 70112

Re: Docket Nos. UD-18-01 and UD-18-07

Attached for electronic filing in the above-referenced matter, please find comments on behalf of ChargePoint, Inc. in response to Resolution R-22-393, issued September 1, 2022.

Please let me know if you have any questions.

Respectfully,

/s/ Matthew Deal
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I. Introduction

ChargePoint, Inc. (ChargePoint) submits these comments to the Joint Utility, Cable, Telecommunications and Technology and Climate Change and Sustainability Committee (Committee) of the New Orleans City Council in response to Resolution R-22-393 in Docket Nos UD-18-01 and UD-18-07.

II. About ChargePoint

ChargePoint is a world leading electric vehicle charging network, providing scalable solutions for every charging scenario from home and multifamily to workplace, parking, hospitality, retail and transport fleets of all types. ChargePoint's cloud subscription platform and software-defined charging hardware is designed to enable businesses to support drivers, add the latest software features and expand fleet needs with minimal disruption to overall business.

ChargePoint's hardware offerings include Level 2 (L2) and DC fast charging (DCFC) products, and ChargePoint provides a range of options across those charging levels for specific use cases including light duty, medium duty, and transit fleets, multi-unit dwellings, residential (multi-family and single family), destination, workplace, and more. ChargePoint's software and cloud services enable EV charging station site hosts to manage charging onsite with features like Waitlist, access control, charging analytics, and real-time availability. With modular design to help minimize downtime and make maintenance and repair more seamless, all products are also UL-listed and CE (EU) certified, and Level 2 solutions are ENERGY STAR® certified.

ChargePoint's primary business model consists of selling smart charging solutions directly to businesses and organizations while offering tools that empower station owners to deploy EV charging designed for their individual application and use case. ChargePoint provides charging network services and data-driven, cloud-enabled capabilities that enable site hosts to better manage their charging assets and optimize services. For example, with those network capabilities, site hosts can view data on charging station utilization, frequency and duration of charging sessions, set access controls to the stations, and set pricing for charging services. These features are designed to maximize utilization and align the EV driver experience with the specific use case associated with the specific site host. Additionally, ChargePoint has designed its network to allow other parties, such as electric utilities, the ability to access charging data and conduct load management to enable efficient EV load integration onto the electric grid.

III. The Importance of Site Host Choice.

A. The role of the monopoly utility in the competitive EV charging market.

Entergy New Orleans (ENO) seeks Committee approval to provide DC fast charging service to the public (the DCFC Project). DC fast charging is a service typically provided by non-utilities, including both dedicated EV charging service providers and other commercial site hosts[1] that offer

[1] "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.

charging services to complement their primary businesses, such as convenience stores, restaurants, and retailers. Notably, these site hosts, who invest their own capital to offer EV charging services, are also utility customers.

As competitive businesses, site hosts must recover the cost of providing DC fast 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 DCFCs in its parking lot, or both. These competitive pressures influence many aspects of a site hosts' 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.

Utilities do not face these same competitive pressures because they can recover all or a portion of the cost of providing DCFCs from their ratepayers. ENO will recover a portion of the cost of the DCFC Project from drivers through its proposed FCEV Schedule and will recover any shortfall from ratepayers. ENO characterizes the expected impact on ratepayers as a "minimal burden" but if actual charger utilization and/or actual deployment costs differ from ENO's assumptions and the revenue shortfall is greater than expected, ENO will still recover the shortfall from ratepayers. The utility's ability to recover any unrecovered costs of providing DCFCs from ratepayers provides it with a substantial competitive advantage that the Committee should bear in mind when it evaluates ENO's DCFC Project proposal and the recommended modifications ChargePoint will discuss below.

Finally, utility ownership of DCFCs can distort the competitive market through the utility's procurement process. As discussed above, in a competitive market, site hosts choose the equipment vendor and network service provider for the chargers deployed on their property, and this decision is often influenced by the site hosts' unique needs and preferences. These competitive pressures in turn motivate EV charging equipment vendors and network service providers to compete to provide innovative products and services and a variety of choices to site hosts at competitive prices. By contrast, a utility may procure a single equipment provider and single network service provider for all chargers that the utility will own and operate, regardless of the site host's needs and preferences. When a utility removes a site host's ability to choose their preferred equipment and network service provider, it significantly dampens competition and innovation.

As the monopoly utility, ENO is uniquely positioned to support transportation electrification and public DC fast charging, which will support and encourage EV adoption. However, ENO should use its unique position to *support* the competitive market, rather than compete with the competitive market.

B. An alternative program model: Utility make-ready investment.

A common and effective model of utility investment in transportation electrification is for the utility to provide make-ready infrastructure for non-utility site hosts. 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. Make-ready incentive programs are very common around the country and have proven effective at

encouraging deployment of public DCFCs, as well as Level 2 chargers and DCFCs designed for other use cases such as fleets, workplaces, and multi-family housing. Examples include Consumer's Energy and DTE in Michigan, Atlantic City Electric and Public Service Electric and Gas in New Jersey, and Eversource and National Grid in Massachusetts, AEP in Ohio.[2] Additionally, the states of New York and Connecticut implemented statewide make ready programs for all utilities doing business in their states.[3]

A make-ready model provides several advantages over direct utility ownership of chargers. First, by significantly reducing the cost of installing chargers, utility a make-ready program encourages site hosts to deploy chargers for the benefit of EV drivers. Second, because site hosts share in the total cost of installing chargers, site hosts are invested in the chargers' success. Third, because the utility is not paying the total cost of deployment, a given budget can support a larger total number of chargers. Fourth, a make-ready model avoids the market distortions that arise from a utility offering a competitive service while recovering revenue shortfalls from ratepayers discussed earlier. 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.

ChargePoint does not object to ENO's proposal to own and operate EV charging stations through the DCFC Project if the Committee imposes several conditions on the DCFC Project that ChargePoint explains below. However, to the extent the Committee remains concerned with ENO's proposal, ChargePoint recommends that the Committee direct ENO to develop a make-ready incentive program such as ChargePoint has described as an alternative to its proposed DCFC Project.

C. Implementing site-host choice.

For the reasons explained, the DCFC Project as proposed risks distorting the competitive market for DC fast charging services and for EV charging equipment and network services. However, there is a simple way the Committee can ensure that the DCFC Project supports and does not

[2] See, e.g., I/M/O the Application of Consumers Energy Company for the Authority to Increase its Rates for the Generation and Distribution of Electricity and for Other Relief. MI PSC Case No U-20134 (January 9, 2019); I/M/O the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief. MI PSC Case No. U-20697 (December 17, 2020); I/M/O the application of DTE Electric Company for authority to increase its rates, rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority; I/M/O the Petition of Atlantic City Electric Company for Approval of a Voluntary Program for Plug-In Electric Vehicle Charging, BPU Docket No. EO18020190 (Feb. 17, 2021); I/M/O the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Electric Vehicle and Energy Storage Program on a Regulated Basis, BPU Docket No. EO18101111 (Feb. 3, 2021); Case No. U-20162 (May 2, 2019); Massachusetts Department of Public Utilities. Docket 17-05. "Order Establishing Eversource's Revenue Requirement." November 30, 2017; Massachusetts Department of Public Utilities. "Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for Approval of its Electric Vehicle Market Development Program, and of its Electric Vehicle Market Development Program Provision, pursuant to G.L. c. 164, §§ 76, 94, and Acts of 2016, c. 448." Docket 17-13 (September 10, 2018); I/M/O the Application of Ohio Power Company for Authority to Establish A Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan, PUCO Docket 16-1852-EL-SSO (April 25, 2018);

[3] See, Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs, NYPSC Case 18-E- 0138 (July 16, 2020); Docket No. 17-12-03RE04, PURA Investigation into Distribution System Planning of the Electrical Distribution Companies – Zero Emission Vehicles, Decision (July 14, 2021).

distort the competitive market. Specifically, the Committee should direct ENO to allow site hosts to choose the charging equipment and the network service provider for DCFCs that are deployed on their property. ENO can and should establish some minimum technical requirements, such as requiring that chargers be UL-listed and be networked, but should otherwise allow site hosts to determine which DCFCs and which network provider best meets their needs and preferences. As an alternative to setting minimum standards, the Committee can direct ENO to pre-qualify at least two DCFC products and at least two network service providers and allow site hosts to choose from the prequalified products and providers.

Customer choice is the critical program design element that allows customers to enjoy the benefits of competition, including innovation, cost-competitiveness, and a variety of products and services to satisfy a variety of needs and preferences. Allowing site hosts to choose the charging equipment and network service provider allows competitive dynamics to function within the DCFC Project and avoids the worst distortions that would occur from ENO's proposed DCFC Project design. If the Committee does not require ENO to allow site hosts to choose the charging equipment and network services provider, then it should reject ENO's proposed DCFC Project.

D. Ensuring a level playing in the competition for federal funds.

ENO represents that at least one of the proposed DCFC locations proposed in the DCFC Project might be eligible for funding under the federal Infrastructure Investment Jobs Act (IIJA). When evaluating the proposed DCFC Project, the Committee should bear in mind the advantages ENO has by virtue of being a monopoly utility, as discussed above. ENO's ability to recover the cost of the make-ready infrastructure needed to supply power to DCFCs from its ratepayers will give ENO a substantial competitive advantage in the competition for federal IIJA funds. If ENO secures IIJA funds using this competitive advantage, it will leave Louisiana with fewer funds available to fund DCFC deployments by competitive market players. These concerns would be exacerbated if, contrary to ChargePoint's recommendations, ENO uses a single vendor for the DCFC Project.

ChargePoint recommends that the Committee direct ENO not to apply for IIJA funds for any of the sites it proposes through its DCFC Project.

IV. Conclusion and Recommendations.

ChargePoint appreciates the opportunity to provide these comments. For the reasons discussed, ChargePoint recommends that the Committee:

- Require ENO to allow site hosts to choose the charging equipment and network services provider for its DCFC Project,
- If the Committee has concerns with the DCFC Project, it should encourage ENO to propose a make-ready investment program such as ChargePoint has described.
- Direct ENO not to seek federal IIJA funds for any sites where it deploys DCFCs through the DCFC Project.