STATE OF COLORADO

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2026 TRANSPORTATION ELECTRIFICATION PLAN	Proceeding NO. 23A-0242E

COMMENTS OF CHARGE AHEAD PARTNERSHIP

I. Introduction

In May 2023, Public Service Company of Colorado (PSCo or the Company) submitted an application to the Public Utilities Commission of the State of Colorado (the Commission) for approval of its 2024-2026 Transportation Electrification Plan (TEP). The Commission opened Proceeding NO. 23A-0242E to consider this application. Throughout the interceding months PSCo has made multiple changes to their proposal regarding the Public Charging Acceleration Network (PCAN), initially applying to build 460 PSCo-owned and -operated EV charging stations using $145 million in ratepayer funds, before shifting to an alternative that would see PSCo provide rebates to support non-regulated, third-party direct current fast charging (DCFC) stations in DI communities and rural communities. While this rebate-based PCAN Alternative proposal included in the Non-Unanimous Comprehensive Settlement Agreement (Settlement) represents a significant improvement upon PSCo's original company-owned charging network proposal, CAP retains significant concerns with the conditions included in this proposed settlement and instead encourages the Commission to consider elements of the Non-Comprehensive and Non-Unanimous Stipulation (Stipulation) of the Affordability Coalition that will better spur private investment in Colorado's EV charging network. While Charge Ahead Partnership (CAP) was not an intervener in these proceedings, we appreciate the Commission's consideration of our comments regarding PSCo's PCAN proposals in the 2024-2026 TEP application.

II. About Charge Ahead Partnership

CAP's membership is comprised of businesses, organizations and individuals that share the common goal of expanding Colorado's EV charging network and ensuring Colorado is positioned to meet EV drivers' expectations of quality service, safety and the affordable, competitive pricing to which they have grown accustomed with the established refueling network.

Our corporate members, from big box retailers, to grocery stores and restaurants, to existing fuel retailers, own the real estate that is best suited for DCFC infrastructure. Many of these businesses are located along highway corridors, and all of them offer the amenities that drivers will demand while refueling.

The biggest challenge to widespread EV adoption in Colorado is the lack of a robust, statewide EV fast charging network that is co-located with the services and amenities, such as food vendors, restrooms, lighting and security, that consumers have come to expect when they refuel. CAP believes that a competitive, market-based approach is the most efficient and economical way to build Colorado's EV charging network so that it promotes fair competition and encourages private investment in the EV charging business.

Included below is an overview an overview of CAP's support for the Stipulation of intervening parties in this case. We encourage you to consider these comments as you evaluate the Settlement and Stipulation as well as regulatory policy that will best position Colorado to create a competitive and consumer-centric EV fast charging network across the state.

III. Comments on PSCo's PCAN Proposal in the 2024-2026 TEP Application

A. The Necessity for a Level Playing Field in the Nascent EV Charging Marketplace

Consumers refuel at approximately 125,000 retail fueling locations across the country. The retail fuels market today is the most transparent and competitive commodity market in the United States. Consumers can easily see fuel prices and decide where to refuel based on the posted price without having to leave their vehicles. This dynamic leads to price competition and consumer choice. EV drivers should have access to the same competitive, stable and convenient prices and options that drivers of internal combustion engine vehicles have enjoyed for decades. This requires an EV charging market driven by competition and innovation, one that cannot be achieved if private investment is prevented from entering the market.

The threat of utilities leveraging their regulated status to generate an artificial competitive advantage over other businesses is a major barrier to private investment in EV charging. This acts as a disincentive for private investment as private entities cannot rationally invest their own capital if there is risk of that investment being subject to unfair competition with regulated electric utilities that have the ability to pass on the costs of their investments in DCFC stations to all of their ratepayers.[1]

As the Commission evaluates the proposed settlement and stipulation, we encourage you to consider the impacts upon competition in the EV charging market and the appropriate role of utilities in the EV charging market.

B. Evaluating PSCo's PCAN and PCAN Alternative Proposals

[1] Peter G. Scholtz, Assistant Attorney General, Minnesota Office of Attorney General comment letter in Docket No. 22-432. "Xcel's EV proposals — particularly $193 million earmarked for an expanded fast-charging network — implicate important public policy questions about whether and under what conditions the Company should be allowed to use its ratepayer-funded monopoly to compete in a new business area," Scholtz wrote.

When PSCo submitted the initial 2024-2026 TEP application it contained substantial funding for the Public Charging Acceleration Network (PCAN) portfolio, including a request for $145 million dollars in ratepayer funds to build 460 PSCo-owned and -operated DCFC charging stations in the utility's service territory. CAP was alarmed to see this request made to the Commission as, if approved, this request would have permanently hindered private businesses' interest in investing capital in Colorado's nascent EV charging market.

For the reasons enumerated in the previous section, CAP was encouraged to see PSCo shift strategies and instead pursue the PCAN Alternative proposal which would see the Company provide rebates to support non-regulated, third-party DCFC facilities in DI Communities and rural areas. While the PCAN alternative, as proposed, may still have distorting effects upon competitive markets and carry adverse ratepayer impacts, it represents a significant improvement upon the company-owned model initially proposed. Should the Commission elect to approve the rebate program in settling this proceeding, CAP encourages the Commission to take all possible steps to ensure fair and competitive opportunities for applicants seeking a rebate and that any private entity who receives a rebate is subject to the same rates, terms and conditions as other private entities operating EV charging stations in the utility's service territory that do not receive or may not be eligible for a rebate.

This approach was outlined in the settlement agreement supported by PSCo. Despite, withdrawing the proposal to develop additional company-owned DCFC stations in the PCAN portfolio, the Company inexplicably reserved the right to revisit such a proposal in a future proceeding.[2] Approval of this request would send a definitive message to private entities that their investments may be subject to unfair competition with a regulated electric utility and set precedent for approval in future years, scaring off potential private investors in Colorado's EV charging market.

C. Support for Provisions of the Affordability Coalition Stipulation

There are two crucial recommendations in the Stipulation of the Affordability Coalition. The first is that the Commission should prohibit the Company from pursuing its PCAN proposal which would permit company ownership of additional DCFC charging stations other than those approved in the Inaugural 2021-2023 TEP. Secondly, stating that the Commission should limit PSCo ownership of DCFC stations not yet developed by the Company to situations where the Company can demonstrate it is serving as a provider of last resort.[3]

CAP agrees wholeheartedly with the Affordability Coalition that the Commission should ensure the Company's attempt to reserve the right to request to build additional company-owned DCFC chargers in future proceedings is not included in the outcome of this case. For all of the reasons mentioned above in Section A, the Commission leaving the door open for PSCo to return in the future with further attempts to build out company-owned DCFC chargers will continue to

[2] Non-Unanimous Comprehensive Settlement Agreement, Public Utilities Commission of the State of Colorado Proceeding NO. 23A-0242E, December 13, 2023.
[3] Non-Comprehensive and Non-Unanimous Stipulation of the Affordability Coalition, Public Utilities Commission of the State of Colorado Proceeding NO. 23A-0242E, December 13, 2023.

dissuade private investors from entering into this market. Private entities who may be interested in offering EV charging services to their customers will continue to be hesitant to make the significant investment necessary to offer DCFC charging when there are no safeguards against PSCo returning in future proceedings with the same request to build hundreds of DCDC chargers funded by ratepayers, thus undercutting the investment private entities may make in the interim.

Furthermore, should the Commission allow the Company to reserve the right to bring further company-owned DCFC charger proposals forward in the future, additional safeguards, such as a provider of last resort model discussed by the Affordability Commission, should be considered. This approach should also be considered for any approved but undeveloped PSCo-owned DCFC chargers from the 2021-2023 TEP in order to ensure that these planned utility DCFC chargers can fill gaps where private investment may not be readily available, instead of competing with private investment. The Commission has an opportunity to make a definitive statement and show support for private market investment in this space by including provisions in the final settlement which will give private entities confidence that PSCo will not return to corner the EV charging market in years to come.

D. Xcel Energy's Failures in the Public EV Charging Space

Finally, the gravity of the current opportunity before the Commission is compounded by the ongoing failures of PSCo and parent company Xcel Energy to deliver on the publicly available and utility-owned DCFC chargers that have already been approved. PSCo received approval to build 25 EV charging stations in Colorado in March of 2021, none of which were operational as of September 2023.[4] Similarly, other Xcel subsidiaries in New Mexico and Minnesota have received approval to build DCFC stations, but thus far have proven ineffective in seeing these DCFC chargers opened, more than a year, or in some cases multiple years, after approval.[5] This underscores the worst outcome of utility interference in the competitive EV charging business. Indeed, utility-owned charging programs dissuade private investment as EV charging deployment continues to lag behind as the utility fails to build out DCFC chargers, contributing to range anxiety and further dissuading EV adoption.

IV. Conclusion

The settlement of PSCo's 2024-2026 TEP case will be key in defining EV charging policy in Colorado for the foreseeable future. In this crucial time period for the buildout of the state's EV charging network the Commission should take all possible opportunities to encourage private investment in building out the infrastructure that the state will need as EV adoption continues to rise. The best way to do this is to accept PSCo's withdrawal of the company-owned charging network proposal and adopt the provisions proposed by the Affordability Coalition. Following these recommendations will send clear signals regarding the competitiveness of Colorado's EV charging market and help to drive the investment of private capital.

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[4] Answer Testimony of Lindsey R. Stegall on behalf of EVgo Services, LLC, Public Utilities Commission of the State of Colorado Proceeding NO. 23A-0242E, September 29, 2023.

[5] Department of Commerce's response to Northern States Power Company's motion to certify and request to withdraw in MPUC Docket No. E-002/M-22-432, June 14, 2023.

Thank you for your consideration of CAP's comments. As the Commission studies this issue, CAP is prepared to be a resource and welcomes all future opportunities to participate in this process.

Sincerely,

/s/ Jay Smith
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