

BILL ANALYSIS

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S.B. 1202
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Electric vehicle adoption is accelerating in the country and in Texas. Electric vehicles are less than one percent of all vehicle sales in Texas, but adoption rates in the last several years have doubled on a year-over-year basis. Increased adoption of personal use vehicles, medium-duty commercial fleets, and potentially heavy-duty long-haul trucking fleets is changing fuel consumption patterns and consumer needs.

Electric vehicles in today's market run on rechargeable batteries installed in the vehicle. While over 80 percent of electric vehicle charging takes place at the home, there is growing market for public-use charging stations that may be located off major transit corridors or in places such as large retail shopping centers or garages near office buildings. In Texas, there are 1,383 public charging stations, with 4,136 charging outlets.

The emerging market of electric vehicle charging stations has highlighted a new need for regulatory clarity on the type of sale that is made by the electric vehicle charging station to the customer charging an electric vehicle. Given the essential nature of electric service, the Utilities Code and Public Utility Commission rules prescribe extensive customer protections for service from retail electric providers and electric utilities in the areas outside competition. These protections are premised on the notion of the customer selecting a single retail electric provider to supply electricity to a fixed premises. Many of the retail consumer safeguards enacted in the Utilities Code are to ensure continuous and reliable electric service on a non-discriminatory and transparent basis to an end use customer. These protections reflect the public's interest in the provision of electric service to homes and businesses.

Electric vehicle owners are not reliant on one charging station owner for their lives or livelihoods and the station owner's obligation to provide continuous and adequate service to vehicle owners ceases the moment charging stops. Electric vehicle charging may indeed consist of a retail transaction, but the differences between retail electric service to a premises and service to an electric vehicle may warrant different regulatory treatment.

The Public Utility Commission has requested that the legislature clarify that the use of an electric vehicle charging station is not a transaction to be governed by existing retail electric policies and that an electric vehicle charging station is not an electric utility or a retail electric provider. These changes will provide regulatory consistency across the state that is appropriate to the resource to facilitate deployment and competition of electric vehicle charging stations for customers.

As proposed, S.B. 1202 amends current law relating to the applicability of certain utility provisions to a vehicle charging service.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 2 (Section 31.0021, Utilities Code) and SECTION 4 (Section 37.002, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 31.002(6) and (17), Utilities Code, as follows:

(6) Redefines "electric utility," for the purposes of Subtitle B (Electric Utilities), to provide that the term does not include a person not otherwise an electric utility who owns or operates equipment used solely to provide electricity charging service for consumption by an alternatively fueled vehicle, as defined by Section 502.004 (Information on Alternatively Fueled Vehicles), Transportation Code. Makes nonsubstantive changes.

(17) Redefines "retail electric provider," for the purposes of Subtitle B, to provide that the term does not include a person not otherwise a retail electric provider who owns or operates equipment used solely to provide electricity charging service for consumption by an alternatively fueled vehicle, as defined by Section 502.004, Transportation Code.

SECTION 2. Amends Subchapter A, Chapter 31, Utilities Code, by adding Section 31.0021, as follows:

Sec. 31.0021. CHARGING SERVICE. Authorizes the Public Utility Commission of Texas (PUC) by rule to exempt from the definition of "electric utility" or "retail electric provider" under Section 31.002 (Definitions) a provider who owns or operates equipment used solely to provide electricity charging service for a mode of transportation.

SECTION 3. Amends Section 37.001(3), Utilities Code, to redefine "retail electric utility" to provide that a person who owns or operates equipment used solely to provide electricity charging service for consumption by an alternatively fueled vehicle, as defined by Section 502.004, Transportation Code, is not for that reason considered to be a retail electric utility.

SECTION 4. Amends Subchapter A, Chapter 37, Utilities Code, by adding Section 37.002, as follows:

Sec. 37.002. CHARGING SERVICE. Authorizes the PUC by rule to exempt from the definition of "retail electric utility" under Section 37.001 (Definitions) a provider who owns or operates equipment used solely to provide electricity charging service for a mode of transportation.

SECTION 5. Effective date: September 1, 2021.