

Exhibit No.: 301  
Issue: Competition, Private Sector  
Charging Market  
Witness: Anne Smart  
Sponsoring Party: ChargePoint, Inc.  
Case No.: Case No. ET-2016-0246

CHARGE POINT, INC.

Case No. ET-2016-0246

SURREBUTTAL TESTIMONY

OF

ANNE SMART

Campbell, California  
December 2016

CP Exhibit No. 301  
Date 11/21/17 Reporter mm  
File No. ET-2016-0246

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

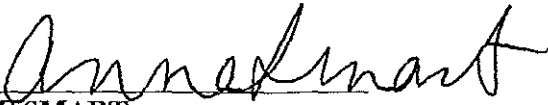
In the Matter of the Application of Union    )  
Electric Company d/b/a Ameren Missouri    )  
for Approval of a Tariff Setting a Rate for    )  
Electric Vehicle Charging Stations.        )  
Case No. ET-2016-0246

**AFFIDAVIT OF ANNE SMART**


STATE OF CALIFORNIA                    )  
  )  
  ) ss.  
COUNTY OF SANTA CLARA             )

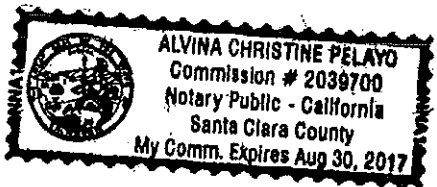
ANNE SMART, being first duly sworn on her oath, states:

1. My name is Anne Smart. I am the Director of Government Relations and Regulatory Affairs of ChargePoint, Inc.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.

  
\_\_\_\_\_  
ANNE SMART

Subscribed and sworn before me this 19<sup>th</sup> day of December, 2016.

  
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Notary Public



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SURREBUTTAL TESTIMONY  
OF  
ANNE SMART  
CASE NO. ET-2016-0246

**Q. Please state your full name and business address.**

A. My name is Anne Smart. My business address is 254 E Hacienda Ave., Campbell, CA 95008.

**Q. Are you the same Anne Smart who filed rebuttal testimony in the case referenced above?**

A. Yes.

**Q. What is the purpose of your surrebuttal testimony?**

A. I will be responding to the rebuttal testimony submitted by Mr. Hyman of the Missouri Department of Economic Development regarding competition in the EV charging market. I will also be responding to the rebuttal testimony submitted by Mr. Rush from Kansas City Power & Light and Mr. Marke from the Office of Public Counsel on the topic of the role of the utility.

**COMPETITION**

**Q. On page 4, line 6 of his rebuttal testimony Mr. Hyman states that “no evidence has been presented that there is, in fact, a competitive market that can effectively discipline the rates charged for EV charging” along the route proposed by Ameren. Is there a competitive market for EV charging between Columbia and the St. Louis metropolitan area?**

1       A.     Yes. In response to Data Request DED-DE 200, I provided Mr. Hyman a list of  
2             19 locations offering public charging between St. Louis and Columbia. These 19  
3             locations provide 50 total charging ports for public use. It is unclear from Mr.  
4             Hyman's testimony why he interprets this data request response as suggesting that  
5             "ChargePoint...has no customers with publicly accessible EVCSs between  
6             Columbia and the St. Louis metropolitan area" as he states on page 4, line 9 of his  
7             rebuttal testimony. The fact that ChargePoint has sold 50 charging ports to  
8             property owners in this area should indicate there is demand and competition  
9             between charging station vendors for customers (site hosts). Our ability to expand  
10            the ChargePoint network beyond these existing ports and sell charging stations to  
11            new customers between Columbia and St. Louis will be threatened by the  
12            introduction of the ability for Ameren to offer our potential site hosts highly  
13            subsidized charging equipment instead of competing in a normal business as usual  
14            market place.

15       **Q.     Mr. Hyman notes on page 4, line 14 that the majority of ChargePoint's**  
16             **customers who own public charging stations do not charge a fee for use of the**  
17             **station. Does the prevalence of free charging indicate a lack of a competitive**  
18             **market for charging stations in Ameren's service territory?**

19       A.     No. First it is important to understand why the private sector installs charging  
20             stations. Our site host customers install charging stations to offer employees an  
21             amenity at their workplace, encourage customers to shop in a retail location while  
22             they are charging, or attract tenants in an apartment complex. Pricing for the  
23             charging service to drivers is set based on a variety of factors unique to that site

1 including the length of time that the driver is expected to stay parked at that  
2 location, the type of location (retail, workplace, multifamily housing, etc.), and  
3 the need to maximize utilization of the charging stations by encouraging drivers to  
4 move their vehicles when fully charged. These factors lead many charging station  
5 operators to provide free charging for a period of time. The existence of free  
6 charging options between Columbia and St. Louis should not be used to  
7 determine that there is a lack of competition when, in fact, the pricing to drivers  
8 may be used to compete on other indirect benefits for those sites such as  
9 employee retention, increased retail sales, or tenants. Mr. Hyman is erroneously  
10 overlooking the competitive issue associated with EV charging station vendors  
11 needing to compete to sell and install charging stations. If Ameren is given the  
12 ability to develop this charging station project and offer charging stations free of  
13 charge to site hosts who would otherwise need to purchase those stations from a  
14 vendor like ChargePoint at full cost, this pilot will block competition in the  
15 market. It will become very difficult, if not impossible, for ChargePoint and any  
16 other vendor not chosen by Ameren in its RFP process, to sell any charging  
17 stations between Columbia and St. Louis until Ameren has completed its project  
18 because our potential customers, the site hosts, will wait to see if they can receive  
19 something free from the utility instead of pay full cost to us for charging  
20 equipment.

21 **Q. Does Mr. Hyman indicate that competition could be enabled by Ameren?**

22 **A.** On page 5, line 6, Mr. Hyman stated "Competition can also be enabled by  
23 reexamining Ameren Missouri's tariff sheets to determine how third-party EV

1 charging providers could be allowed to sell electricity to drivers, potentially by  
2 designing a wholesale service rate.” First and foremost, it is not up to Ameren in a  
3 tariff sheet to determine if third-party EV charging providers can resell electricity.  
4 This is a matter of state law which was described at length in my rebuttal  
5 testimony and comments from other parties. Secondly, again, the issue of  
6 competition is not solved alone by enabling non-utilities to “sell electricity” to  
7 drivers. The issue of competition can only be addressed if Ameren is not  
8 permitted to own and operate charging stations selected from a single vendor and  
9 installed for free at site hosts in a competitive market where non-utilities, who do  
10 not have the same ability to socialize costs across a rate base, are attempting to  
11 sell charging equipment at full cost.

12 **Q. What is the useful life of a charging station?**

13 A. On page 3, line 8, Mr. Hyman, referencing direct testimony from Mr. Nealon,  
14 notes that Ameren claims there will be a net of \$1.9 million by the 15<sup>th</sup> year of  
15 operating the charging stations. However, there is no known warranty or product  
16 in the charging station market at this time known to last 15 years. Furthermore,  
17 given the changes to vehicle technology, charging speeds, cooling technology,  
18 and other factors, expected as the market continues to grow, it is likely that these  
19 stations will be obsolete long before ratepayers see a net benefit. Allowing a site  
20 host or third party, rather than Ameren, to own these charging stations ensures  
21 that the site has the ability to change out the equipment to receive newer  
22 technology and relieves ratepayers of the burden of a stranded asset if this  
23 equipment becomes obsolete prior to the fifteenth year of operation.

**ROLE OF THE UTILITY**

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2       **Q.**     **Mr. Rush from KCP&L states on page 4, lines 6-7, of his rebuttal testimony**  
3               **that utilities, rather than the private industry, are “best situated to develop**  
4               **and deploy an extensive EV charging network.” Do you agree with this**  
5               **statement?**

6       **A.**     The use of the phrase “best situated” suggests that KCP&L believes that utilities  
7               are the only entity situated for developing an extensive EV charging network. I do  
8               not agree that utilities alone are best situated for achieving the scale and  
9               innovation required to develop the EV charging services that drivers need.  
10              Utilities do have a role in supporting the development and deployment of  
11              charging stations and ChargePoint is pleased to be a partner to utilities in this  
12              effort. KCP&L has deployed a network of EV charging stations called the Clean  
13              Charge Network that depends on technology developed by ChargePoint including  
14              our hardware, software, and network capabilities. This technology has taken years  
15              to develop, more than 30 patents, participation in national and international  
16              standards making, and tens of millions of dollars in private investment in  
17              manufacturing, business development, sales, marketing, and engineering. National  
18              charging station networks like ChargePoint are successful due to the scale at  
19              which they can expand and connect drivers well beyond the borders of one  
20              utility’s service territory. ChargePoint is a partner to utilities around the country  
21              and appreciates the opportunity to work with utilities, including KCP&L, with  
22              their unique expertise, relationship with customers, and ability to leverage capital,  
23              to deploy successful and extensive charging networks. But utilities alone cannot

1 possibly be the sole entities creating “extensive” EV charging networks, the long  
2 term undertaking is too expensive for utilities, the technology moves too fast to be  
3 in a regulated environment and the price drivers are charged is much too fluid to  
4 be constrained by rate cases. Utilities should be working in collaboration with the  
5 private EV charging industry in addition to the other stakeholders Mr. Rush sites  
6 in his rebuttal testimony.

7 **Q. Mr. Rush states on page 5, line 1 of his rebuttal testimony that utilities are**  
8 **obligated to provide electric to EV drivers through public charging stations.**  
9 **Do you agree?**

10 A. No. Utilities can and should have a role in supporting the deployment of charging  
11 stations by providing incentives for charging equipment or installation costs, and  
12 in setting rates to owners of charging stations that enable effective operation and  
13 utilization of the stations, as KCP&L has notably done successfully throughout its  
14 territories in Kansas and Missouri, but the obligation of a monopoly utility to  
15 provide electricity to its customers should by no means dictate how that electricity  
16 is used beyond the utility meter. Utilities are no more obligated to provide public  
17 charging stations than they are to provide refrigerators, computers, and lamps to  
18 their customers. The argument of “obligation” should not be the basis for  
19 determining whether or not the Commission approves a utility proposal. This  
20 proposal should be reviewed on the impact to ratepayers and on competition in  
21 the EV charging industry.

22 **Q. Mr. Marke from the Office of Public Counsel recommends on page 5, lines 5-**  
23 **6 that “non-regulated services” from investor-owned utilities should be**



1           **allowed to participate in the EV charging market but that Ameren’s**  
2           **“regulated services” be limited to promoting EV adoption and offering rates**  
3           **that support EV charging. Do you agree?**

4       A.   ChargePoint agrees that *non-regulated* utility services can be allowed to  
5       participate in the EV charging market, however we are also not opposed to the  
6       ability of *regulated* investor-owned utilities to support the installation and  
7       deployment of charging stations if programs are designed to support competition,  
8       customer choice and innovation in the EV charging market. As Mr. Marke points  
9       out throughout his rebuttal testimony, Ameren has not designed a pilot that  
10      protects competition in Missouri. There are several excellent examples of  
11      regulated IOUs supporting EV charging and competition including three in  
12      California: Southern California Edison, San Diego Gas and Electric, and a  
13      program recently approved for Pacific Gas and Electric Company, Puget Sound  
14      Energy in Washington, and a pilot proposed by Rocky Mountain Power in Utah..  
15      These utility programs protect competition by qualifying multiple vendors and  
16      allowing site hosts to choose the equipment and network services that they want  
17      on their own properties. By qualifying multiple vendors rather than creating a  
18      winner takes all RFP as Ameren has done, the utility could support competition  
19      by having these multiple vendors compete to win the site hosts, which better  
20      replicates a normal market for selling charging stations. This competition will  
21      continue to drive innovation in the market, unlike a utility RFP which freezes  
22      technology based on the specifications defined by the utility in the RFP. Most of  
23      these utility programs also limit the utility role to providing “make ready” up to

1           by not including the charging station itself or by providing rebates to the site host  
2           so that the site owns and operates the equipment rather than the utility. These  
3           different business models could lead to a better designed proposal by Ameren that  
4           would better support competition.

5       **Q.    Does this conclude your Surrebuttal Testimony?**

6       **A.    Yes, it does.**