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ONE HUNDRED SEVENTEENTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

July 1, 2021

Mr. AJ Siccardi
President
Metroplex Energy, Inc.
200 Galleria Parkway SE, Suite 900
Atlanta, GA 30339

Dear Mr. Siccardi:

Thank you for appearing before the Subcommittee on Energy on Wednesday, May 5, 2021, at the hearing entitled "The CLEAN Future Act: Driving Decarbonization of the Transportation Sector." I appreciate the time and effort you gave as a witness before the Committee on Energy and Commerce.

Pursuant to Rule 3 of the Committee on Energy and Commerce, members are permitted to submit additional questions to the witnesses for their responses, which will be included in the hearing record. Attached is a question directed to you from a member of the Committee. In preparing your answer to this question, please address your response to the member who submitted the question in the space provided.

To facilitate the printing of the hearing record, please submit your responses to these questions no later than the close of business on Friday, July 16, 2021. As previously noted, this transmittal letter and your response, as well as the responses from the other witnesses appearing at the hearing, will all be included in the hearing record. Your written responses should be transmitted by e-mail in the Word document provided to Lino Peña-Martinez, Policy Analyst, at Lino.pena-martinez@mail.house.gov. To help in maintaining the proper format for hearing records, please use the document provided to complete your responses.

Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Lino Peña-Martinez with the Committee staff at (202) 225-2927.

Sincerely,

Frank Pallone, Jr.

Frank Pallone, Jr.
Chairman

Attachment

cc: The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce

The Honorable Bobby L. Rush
Chairman
Subcommittee on Energy

The Honorable Fred Upton
Ranking Member
Subcommittee on Energy

Attachment—Additional Questions for the Record

Subcommittee on Energy
Hearing on
"The CLEAN Future Act: Driving Decarbonization of the Transportation Sector."
May 5, 2021

Mr. AJ Siccardi, President, Metroplex Energy, Inc.

The Honorable Jerry McNerney (D-CA)

1. Mr. Siccardi, electric utilities, such as PG&E in my home state, have worked to use funds approved by state regulatory commissions to bolster EV infrastructure options for customers. In fact, PG&E and 7-Eleven recently announced a partnership to deploy DC fast chargers. If fuel retailers benefit from these investments, why have your groups (the National Association of Truck Stop Operators, National Association of Convenience Stores, and Society of Independent Gas Marketers Association) partnered with the American Petroleum Institute on a multi-state effort to stifle investments in EV program filings at the state level?

RESPONSE:

Thank you, Congressman McNerney, for raising this question. I am pleased to have the opportunity to correct some mistaken information that has been provided to you, and perhaps to others. RaceTrac is a member of the National Association of Truck Stop Operators (NATSO), the National Association of Convenience Stores (NACS), and the Society of Independent Gasoline Marketers of America (SIGMA) and has had a representative on the Board of Directors of each organization. Those three organizations *were not and are not* members of the group that the American Petroleum Institute and others participated in on the above-referenced issues.

Our trade associations – NATSO, NACS, and SIGMA – have taken a separate and different approach to electric vehicle (EV) infrastructure issues. We want more EV infrastructure and our three associations have worked to identify opportunities for the industry to participate in the development of EV infrastructure. That infrastructure will only proliferate in the way that EV drivers need if a robust private market for EV charging develops such that businesses have a profit motive for investing in EV charging infrastructure. Some significant investments, like 7-Eleven's, are happening. In fact, NATSO in 2020 partnered with ChargePoint, the world's largest EV charging network, to create the National Highway Charging Collaborative. The Collaborative has committed to leveraging $1 billion in capital to deploy charging at more than 4,000 travel plazas and fuel stops that serve highway travelers and rural communities. NATSO and ChargePoint are well on their way to achieving that goal. Despite the investments noted above, we see the need for changes to the marketplace to ensure businesses are incentivized to invest in this space and there is a level playing field that enhances price-competitive offers and prevents monopolization by any one sector. We all know that such monopolization ultimately stunts growth and innovation in markets and hurts consumers.

And, we favor utility investments in electricity infrastructure to facilitate development of EV charging, including with ratepayer funds, with the exception of the use of ratepayer funds on the EV chargers themselves. Major investments in power generation, electric grids, line extensions and more by electric utilities will be necessary to provide the capacity to support widespread adoption of EVs. We recognize and support that.

But, the chargers themselves should be treated differently. That is because, given the ability of EV drivers to move their vehicles to different providers and seek the best pricing and service in the marketplace, EV chargers lend themselves to a competitive market. Drivers can go to any charging provider they wish based on price, location, other products and services offered, or any other criteria drivers prioritize. Traditional electricity pricing is not set up that way. Instead, it assumes that electricity is being provided to fixed locations – such as a home or business structure – where it only makes sense for one provider to pay to connect electricity to those locations. Given these differences, there is simply no reason to make ratepayers pay for EV chargers themselves. EV drivers can pay for those chargers as they purchase electricity.

If utilities want to own and operate EV chargers, then they should do so using unregulated funds that are not part of rate filings that provide guaranteed returns. These should be competitive investments so that there is a level playing field in which utilities and private sector businesses all need to recover their capital investments and make a profit. That level of competition will ensure that everyone in the EV charging market will have incentives to compete vigorously to offer consumers the best prices and services they can.

Partnerships between utilities and convenience retailers are a good way to make all of this happen in the most effective and consumer-friendly way. Utilities are needed to help provide much of the infrastructure to get a site ready for EV charging – particularly where more advanced and higher capacity chargers are going to be used. Meanwhile, convenience retailers not only have experience aggressively competing on price for drivers' business, they also have locations that drivers are used to visiting and provide the products, drinks, foods, restrooms and other amenities that drivers have come to expect when they stop to fuel their vehicles.

We want to work cooperatively with the utility industry to enhance EV charging offerings. We just want Congress to ensure that that occurs in a competitive market on a level playing field that inures to the benefit of EV drivers and the future development of the market.