

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NOS. E-7, SUB 1195 AND E-2, SUB 1197  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

IN THE MATTER OF	)	
APPLICATION BY DUKE ENERGY	)	
CAROLINAS, LLC AND DUKE ENERGY	)	REPLY COMMENTS OF
PROGRESS, LLC FOR APPROVAL OF	)	EVGO SERVICES, LLC
ELECTRIC VEHICLE SUPPLY	)	
EQUIPMENT PROGRAM	)	

Pursuant to the North Carolina Utilities Commission (“Commission”) *Order Requesting Comments on Proposed Customer Operated Electric Vehicle Supply Equipment Tariffs* (“Order”) issued August 23, 2022, EVgo Services, LLC (“EVgo”) offers the following reply comments addressing initial comments filed by ChargePoint, Inc. (“ChargePoint”), the North Carolina Sustainable Energy Association (“NCSEA”), and the North Carolina Utilities Commission (“Staff”) on November 21, 2022 regarding Duke Energy Carolinas, LLC’s and Duke Energy Progress, LLC’s (together “Duke” or “the Companies”) August 15, 2022 *Joint Petition for Approval of Electric Vehicle Supply Equipment Programs* (“Petition”).

In these reply comments, EVgo recommends that the Commission:

1. Deny at this time, the Companies’ Petition for approval of the Electric Vehicle Supply Equipment (“EVSE”) Programs; and
2. Direct Duke to propose, and expeditiously approve, make-ready infrastructure and rate design solutions to bolster private market deployment of EV charging stations.

## INTRODUCTION

EVgo owns and operates one of America’s largest public electric vehicle fast charging networks, with over 850 direct current fast charging (“DCFC”) locations currently serving over 60 metropolitan areas across more than 30 states and continues to add more locations through EVgo eXtend™, its white label service offering. In North Carolina, EVgo’s public charging network currently includes 43 DCFC stations across 29 locations.

In its November 11, 2022 initial comments on Duke’s Petition, EVgo expressed that the EVSE Programs would grant Duke ownership of additional charging stations absent meaningful justification and would discourage third-party investments. EVgo recommended that the Commission deny at this time Duke’s Petition for approval of its proposed EVSE Programs, and instead direct the Companies to propose alternative rate design and complete make-ready infrastructure solutions to bolster charging station deployment by the third party EV charging providers.<sup>1</sup>

In addition to EVgo, ChargePoint, NCSEA, and Staff filed comments on Duke’s Petition. EVgo’s primary position is shared by both NCSEA and Staff: allowing the expansion of Duke-owned charging stations through the proposed EVSE Programs would hinder the development of the competitive EV charging market. EVgo urges the Commission to reject Duke’s Petition at this time and instead clearly identify priorities for the Companies’ Phase II Electric Transportation Pilot Programs (“Phase II Pilots”) in line with commenters’ suggestions, including a complete make-ready infrastructure program and rate design options. Coupled with program design elements that address specific public policy objectives, these alternative

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<sup>1</sup> Initial Comments of EVgo on Duke’s Petition for Approval of EVSE Programs, Nov. 11, 2022.

offerings can better complement state and federal grant funding programs to enable EV market transformation in North Carolina.

## COMMENT

### **1. The Commission should deny the Companies' Joint Petition for Approval of EVSE Programs as proposed.**

Staff raised concerns that Duke's ownership of EVSE infrastructure through the proposed EVSE Programs would interfere with the ability of third party EV charging providers to expand and innovate, ultimately concluding that the Programs would disrupt market competition and economic development.<sup>2</sup> Staff proposed that any approved programs serve a specific need or meet certain policy objectives to ensure state goals are met.<sup>3</sup>

Similarly, NCSEA stated that allowing Duke to dominate the EV charging market would "prevent the development of a robust, competitive EV charging marketplace which would otherwise drive down costs for ratepayers."<sup>4</sup> NCSEA goes on to suggest that utility investment should "enable a competitive marketplace" through make-ready programs or targeted investments in underserved communities.<sup>5</sup>

ChargePoint also refiled relevant sections of its comments previously filed in this docket, which included recommendations "intended to further support increased competitive deployment of EV charging infrastructure throughout the Companies' service territory."<sup>6</sup>

EVgo strongly agrees with the other commenters that Duke's involvement in the EV charging marketplace should ensure robust competition for charging services. EVgo appreciates

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<sup>2</sup> Public Staff Initial Comments, pp. 10 and 25.

<sup>3</sup> *Id.*, p. 27.

<sup>4</sup> NCSEA Initial Comments, p. 2.

<sup>5</sup> *Id.*

<sup>6</sup> ChargePoint Initial Comments, pp. 1-2.

Duke’s recognition that significant barriers to EV adoption remain, particularly with upfront installation costs.<sup>7</sup> However, the Companies’ EVSE programs as proposed would not enable innovation by the private market to help customers overcome these barriers and fill gaps in charging infrastructure. A program design that allows for a diverse set of business models, such as a make-ready program, would instead accelerate EVSE deployment to meet the state’s transportation electrification objectives.

EVgo also supports NCSEA’s suggestion that Duke utilize data-based decision-making to ensure charging infrastructure is deployed in areas that are currently underserved by the private sector.<sup>8</sup> However, as both EVgo<sup>9</sup> and Staff<sup>10</sup> noted in initial comments, there has not yet been any analysis on the Phase I Pilot programs filed in this docket, let alone any analysis of underserved areas. As EVgo has stated previously,<sup>11</sup> comprehensive EV infrastructure programs that incentivize investments in underserved communities have become a best practice in program design to ensure equitable outcomes and would be a welcome addition to the utilities’ programs in North Carolina.<sup>12</sup>

Finally, in its approval of Duke’s Phase I Pilots, the Commission stated that it was not sanctioning broad participation by Duke in the EV charging infrastructure market.<sup>13</sup> It would be

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<sup>7</sup> Petition, p. 7.

<sup>8</sup> NCSEA Initial Comments, p. 3.

<sup>9</sup> EVgo Initial Comments, p. 8.

<sup>10</sup> Public Staff Initial Comments, p. 30.

<sup>11</sup> Reply Comments of EVgo on Proposed Phase II Electric Transportation Pilot Programs, dated September 13, 2021, p. 8.

<sup>12</sup> For example, see Connecticut PURA Decision (fn. 1), regarding equitable siting of DCFC. In approving the EV program, PURA directed the electric distribution companies (“EDCs”) to “offer a higher upfront incentive to participating site hosts (also defined as customer of record) located in underserved communities.” The DCFC program directed the EDCs to “adopt a make-ready utility investment model, combined with an upfront incentive for the purchase and installation of DCFCs, to increase access to the statewide DCFC network.” In addition to the make-ready utility investment covering up to 100% of the cost of installing the infrastructure at the EVSE site, subject to the established maximum per site incentive, the EDCs are required to provide an upfront incentive, via a rebate, to participating site hosts to offset up to 50% of the costs of purchasing DCFCs.

<sup>13</sup> Order Approving Electric Transportation Pilot, in Part, pp. 19-20.

inappropriate to grant Duke such an undefined and open-ended role in the EV charging market, and premature to approve the EVSE Programs as full commercial offerings without any evidence of the need or cost-effectiveness or establishment of its foundational role and responsibilities in the EV charging ecosystem. EVgo therefore recommends that the Commission deny the Companies' Petition.

**2. The Commission should direct Duke to propose, and expeditiously approve, make-ready infrastructure and rate design solutions to bolster private market deployment of EV charging stations.**

In its initial comments, NCSEA reiterated its position that Duke make data-based siting decisions to prioritize charging infrastructure areas that are currently underserved by the private market.<sup>14</sup> NCSEA further recommended that the Commission direct Duke to “identify additional make-ready infrastructure programs” in consultation with the Electric Transportation Stakeholder Group.<sup>15</sup> Staff stated that the previously approved Make Ready Credit (“MRC”) programs are a preferable alternative to the EVSE Programs, suggesting that they would enable innovation and competition to meet individual customer needs.<sup>16</sup>

The Commission had initially provided guidance to Duke on its priorities for future EV programs in its Phase I Pilots Order, requiring that future pilots specifically include make-ready and rate design.<sup>17</sup> The Commission also recently noted changed circumstances in the state since its initial Phase I Pilots Order, but directed Duke to apply its previous guidance to refine its

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<sup>14</sup> NCSEA Initial Comments, p. 3.

<sup>15</sup> *Id.*, p. 4.

<sup>16</sup> Staff Initial Comments, p. 29.

<sup>17</sup> Phase I Order, pp. 20-21.

Phase II Pilots, while also incorporating data from the Phase I Pilots and accounting for federal funding opportunities.<sup>18</sup>

EVgo agrees with Staff that make-ready programs can foster a robust competitive market for EV charging services, and strongly supports the Commission’s continued prioritization of a make-ready approach.<sup>19</sup> However, EVgo also concurs with the Commission that the MRC programs alone do not sufficiently support make-ready infrastructure,<sup>20</sup> particularly when compared to the programs approved in other jurisdictions described in EVgo’s initial comments.<sup>21</sup> EVgo supports NCSEA’s recommendation that Duke prioritize investments in underserved areas, and while EVgo maintains that it is premature to claim that a market failure exists,<sup>22</sup> charging infrastructure programs that prioritize investments in underserved areas have become a best practice in programs adopted in many jurisdictions and would be a welcome development in North Carolina.<sup>23</sup> EVgo therefore urges the Commission to take this opportunity to direct Duke to develop a complete make-ready infrastructure solution to bolster market deployment of charging stations.

Further, as the Commission has already recognized, EV rates can encourage EV adoption.<sup>24</sup> Indeed, NCSEA noted that tariff design is important to help customers manage their

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<sup>18</sup> Order Requiring Further Collaboration and Report on Proposed Phase II Pilot Programs, Feb. 21, 2022, pp. 3 and 4.

<sup>19</sup> See Order Approving Make Ready Credit Programs with Conditions, dated February 18, 2022, p. 19.

<sup>20</sup> *Id.*

<sup>21</sup> EVgo Initial Comments, pp. 12-13.

<sup>22</sup> See Reply Comments of EVgo on Proposed Phase II Electric Transportation Pilot Programs, dated September 13, 2021, p. 8.

<sup>23</sup> See, e.g., Connecticut PURA Decision (fn. 1), regarding equitable siting of DCFC. In approving the EV program, PURA directed the electric distribution companies (“EDCs”) to “offer a higher upfront incentive to participating site hosts (also defined as customer of record) located in underserved communities.” The DCFC program directed the EDCs to “adopt a make-ready utility investment model, combined with an upfront incentive for the purchase and installation of DCFCs, to increase access to the statewide DCFC network.” In addition to the make-ready utility investment covering up to 100% of the cost of installing the infrastructure at the EVSE site, subject to the established maximum per site incentive, the EDCs are required to provide an upfront incentive, via a rebate, to participating site hosts to offset up to 50% of the costs of purchasing DCFCs.

<sup>24</sup> See Phase I Order, p. 20.

charging costs, particularly through rates that incentivize off-peak charging.<sup>25</sup> ChargePoint specifically proposed that the Commission direct the Companies to submit alternatives to traditional demand-based tariffs that “eliminate, defer, or reduce demand charges” to spur increased investment in EV charging infrastructure.<sup>26</sup>

EVgo strongly agrees with these other commenters and urges the Commission to specifically direct Duke to propose rate design solutions that address the key barrier that demand charges present to DCFC deployment. EVgo looks forward to engaging with the Commission and stakeholders to aid in the development of a DCFC commercial EV rate.

### CONCLUSION

In summary, EVgo recommends that the Commission:

1. Deny the Companies’ Petition for approval of the EVSE Programs as currently proposed; and
2. Direct Duke to propose, and expeditiously approve, make-ready infrastructure and rate design solutions to bolster private market deployment of EV charging stations.

EVgo appreciates the opportunity to participate in this process and share input with the Commission and other stakeholders to aid in the development of a robust and comprehensive EV charging market in North Carolina.

Respectfully submitted, this 5th day of January, 2023.

By:     /s/ Jason B. Keyes    

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<sup>25</sup> NCSEA Initial Comments, p. 4.

<sup>26</sup> See ChargePoint Reply Comments, dated September 13, 2021, p. 7.

**CERTIFICATE OF SERVICE**

The undersigned attorney for EVgo Services, LLC hereby certifies that he served the foregoing Reply Comments upon the parties of record in this proceeding by electronic mail and/or depositing copies in the U.S. Mail, first-class, postage prepaid.

This 5<sup>th</sup> day of January, 2023.

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