

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 658

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

**Consideration of Certain Standards for)
Electric Utilities Relating to Measures to)
Promote Greater Electrification of the)
Transportation Sector Pursuant to the)
Infrastructure Investment and Jobs Act)**

**REPLY COMMENTS OF
CHARGEPOINT, INC.**

ChargePoint, Inc. ("ChargePoint") respectfully submits these reply comments to the North Carolina Utilities Commission ("Commission") regarding the standards established by an amendment to the federal Public Utility Regulatory Policy Act (PURPA) in the Infrastructure Investment and Jobs Act, H.R. 3684 (IIJA) in the above-captioned proceeding.

I. Comments

The new PURPA standards established in the IIJA highlight the increasing importance of complementary utility and commission action to support EV charging and increase EV adoption. ChargePoint appreciates the Commission and Virginia Electric and Power Company d/b/a Dominion Energy North Carolina ("DENC" or the "Company")'s actions thus far to advance transportation electrification (TE) for the benefit of customers, the competitive market, and the state's TE and climate goals. However, ChargePoint provides the following comments to strongly recommend the Commission adopt the new PURPA standards related to EV charging for DENC as it will strengthen DENC's efforts to address barriers to EV adoption.

A. The Commission should adopt the PURPA standard.

ChargePoint strongly encourages the Commission to adopt the new PURPA standards for all the utilities across the state as it will be critical in guiding utility efforts to address barriers to EV adoption. EV adoption in the state has steadily been increasing and will proliferate in the next few years due largely in part to investment from the IIJA and the Inflation Reduction Act. As EV adoption continues to grow in the state, implementation of the PURPA standards across all utilities regulated by the Commission will ensure the state maximizes the benefits that EV adoption can bring, including reduced emissions, downward pressure on rates, and opportunities for load-management to support ratepayer investments and the grid. The PURPA standards also ensure that TE measures promote the build-out of a robust charging infrastructure to achieve the state's goals as enumerated in Executive Order 246.¹

While the Commission has determined that it had already implemented the standards for Duke Energy Progress, LLC (DEP) and Duke Energy Carolinas, LLC (DEC, collectively Duke), the adoption of the standards will empower the utilities to continue to promote TE and reap the associated benefits through their individualized set of offerings. So, the adoption of these standards would not necessarily prescribe a set of measures necessary for Duke to take at this time but instead create a unified and formalized approach to TE for all the utilities in the state to consider moving forward.

Similarly, in its initial comments, DENC discusses how its EV strategy sufficiently addresses the PURPA standards and, consequently, warrants no further Commission action.² As

¹ See Governor Roy Cooper's Executive Order 246 *North Carolina's Transformation to a Clean, Equitable Economy* (January 7, 2022) <https://governor.nc.gov/executive-order-no-246/open>

² Initial Comments of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina Addressing Electric Vehicle Charging Programs Pursuant to Sections 111(d)(21), 166 U.S.C. §2621(d)(21), Docket No. E-22, Sub 658 (May 5, 2023) ("Initial Comments of DENC")

discussed above, regardless of whether DENC believes it has taken the necessary measures to support TE opportunities, DENC would benefit from adopting the PURPA standards to formalize the common goals of TE offerings, including electrification of transportation, affordable and equitable rates, quality customer experiences with charging, third-party investment, and appropriate rate design.

However, ChargePoint also respectfully believes that DENC has not taken sufficient action in North Carolina to “promote greater electrification of the transportation sector,” including establishing rates that, among other things, promote affordable and equitable EV charging options for residential, commercial, and public electric vehicle (EV) charging infrastructure and accelerate third-party investment in EV charging, as required by the PURPA amendments.³ The Company largely describes its EV strategy through efforts in its Virginia service territory. For example, the Company’s efforts to ease adoption of EVs include its three EV-related programs for residential customers, a Level 2 Charging Program for businesses, multifamily communities, and public charging, a Fleet Charging Program, and Electric School Bus Program—all in its Virginia service territory and not its North Carolina territory.⁴ The Company discusses actions it has taken in North Carolina generally, including education and outreach, evaluation of funding opportunities, and engagement within the National Highway Coalition. The Company also states that “as new measures are implemented in its Virginia service territory, the Company will evaluate the prudence of offering similar programs to its North Carolina customers.”⁵ Although ChargePoint appreciates DENC’s TE efforts in Virginia, these efforts do not directly benefit North Carolina customers. As

³ See IJIA Section 40431, pp. 620-621.

⁴ Initial Comments of DENC pp. 4-6

⁵ *Id.*, p. 4

a result, the Company should be directed to implement the standard for its North Carolina service territory.

B. The Commission should direct DENC to consider implementing a make ready program similar to its Virginia program.

A common and effective model of utility investment in transportation electrification is for the utility to provide make-ready infrastructure for non-utility site hosts. By significantly reducing the upfront cost of installing chargers, a utility make-ready program encourages site hosts to deploy chargers for the benefit of EV drivers. Make-ready incentive programs are very common around the country and have proven effective at encouraging deployment of public EV charging, as well as Level 2 chargers and DCFCs designed for other use cases such as fleets, workplaces, and multi-family housing. The make-ready investment model is desirable for site hosts to be engaged in the provision of charging services and have some “skin in the game” which drives efficiency and utilization of installed EV charging infrastructure. Further, make-ready programs also provide an alternative to utility-ownership programs, avoiding the market distortions that arise from a utility offering a competitive service while recovering revenue shortfalls from ratepayers. This model also effectively lowers the cost to the utility and its ratepayers to support the deployment of EV charging stations which can result in greater deployment of EV charging infrastructure without the need to increase the program’s budget; and as an additional benefit could lead to significantly more energy being sold through a higher number of deployed EV charging stations resulting in downward pressure on utility rates to the benefit of all utility ratepayers, rather than just those that are EV drivers. Therefore, utilizing Dominion Energy’s experience with implementing its Smart

Charging Infrastructure Pilot Program in Virginia,⁶ the Commission should direct DENC to consider a similar proposal for its North Carolina service territory. The Commission should also consider expanding the current available programs in the state to increase the widespread benefits of EV adoption to all ratepayers in the state.

C. The Commission should direct DENC to implement a demand charge alternative rate similar to its Virginia rates.

In adopting the PURPA standard, the Commission should direct the utilities to address demand charges, a widely recognized barrier to promoting “greater electrification of the transportation sector.” As discussed in our opening comments, traditional demand-based rates impact both site hosts and EV drivers.⁷ An EV charging site host taking service under traditional demand-based rates faces significant demand charges as a result of the sporadic, power-intensive charging sessions that occur due to drivers’ need to fast charge at public stations, including fleets and other customers that must charge multiple vehicles at high power simultaneously. Unlike traditional commercial customer on demand-based rates, public EV charging station site hosts are limited from managing or mitigating the impact of demand charges, as limiting the number of ports in use simultaneously or restricting the amount of power to ports would disregard drivers’ charging needs. In fact, for charging stations funded by the NEVI program, stations must have four ports capable of simultaneously charging at 150 kW to minimize time to charge and to ensure a convenient charging experience for all users.⁸ These high demand charges coupled with

⁶ Final Order. Petition of Virginia Electric and Power Company for approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and conditions applicable to electric service. Case No. PUR-2019-00154. (March 26, 2020).

⁷ Initial Comments of ChargePoint, pp. 5-12

⁸ https://www.fhwa.dot.gov/environment/alternative_fuel_corridors/nominations/90d_nevi_formula_program_guidance.pdf.

the current, relatively low, or seasonal utilization significantly threatens the economic viability of charging stations and subsequently disincentivizes the deployment of stations and third-party investment. Less third-party investment in public charging infrastructure in areas of low usage also creates an equity issue as rural drivers and drivers who require or primarily rely on public charging will continue to be left behind in the EV transition, experiencing more range anxiety and also experiencing less EV adoption and its associated benefits.

Due to the significant consequences demand charges pose, ChargePoint recommends the Commission direct each regulated electric utility in the state to submit one or more long-term alternatives to traditional demand-based tariffs for Commission approval within six months from the date of an order in this proceeding, taking into account best practice principles available.⁹ ChargePoint understands that the Commission has found that Duke has sufficiently addressed the PURPA standards including through its Flex Savings Option for Businesses rate;¹⁰ however, ChargePoint recommends additional rate options to support various use cases, especially since most DCFC charging sites will far exceed 30 kW of demand and therefore would receive negligible relief from high demand charges. Additionally, ChargePoint appreciates Dominion

⁹ See “Best Practices for Sustainable Commercial EV Rates and PURPA 111(d) Implementation,” December 2022, available at <https://pubs.naruc.org/pub/55C47758-1866-DAAC-99FB-FFA9E6574C2B>; See “Electric Transportation Rate Design Principles for Regulated Utilities,” July 2021, available at <https://evtransportationalliance.org/wp-content/uploads/2022/02/ATE-Rate-Design-Principles-Final-July-202194.pdf>;

See “Rate Design for EV Fast Charging: Demand Charges,” May 2022, available at https://evtransportationalliance.org/wp-content/uploads/2022/06/Rate.Design.TF_.Demand-Charge-Paper-Final-5.25.22.pdf

¹⁰ More information about Duke Energy’s Flex Savings Option for Businesses is available at: <https://www.duke-energy.com/Info/unindexed/Rates/Flex-Savings-Option-Business?jur=NC01>.

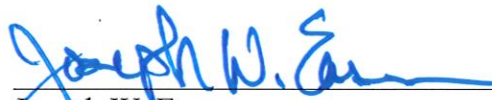
Energy's low-load factor rate in Virginia¹¹ and strongly recommends the Commission direct DENC to propose a similar rate for its North Carolina territory.

II. Conclusion

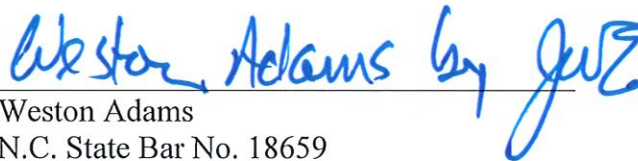
ChargePoint appreciates the opportunity to submit these reply comments and looks forward to future discussions with stakeholders on how to achieve widespread beneficial transportation electrification.

Respectfully submitted this 5th day of June, 2023.

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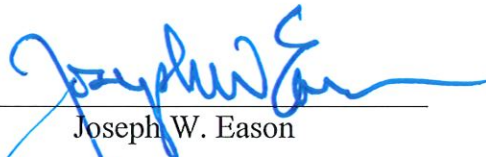
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¹¹ See Schedule GS-2, available at <https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/virginia/business-rates/schedule-gs2.pdf?la=en&rev=65c74050107549f299d48689f738e948&hash=7CBE70107AE10C66B8EB5C5A1E248D12>

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Reply Comments of ChargePoint, Inc. filed in Docket No. E-22, Sub 658 was served electronically upon all parties of record.

This the 5th day of June, 2023.



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