



Kendrick C. Fentress
Associate General Counsel

NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.6733
c: 919.546.2694

Kendrick.Fentress@duke-energy.com

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VIA ELECTRONIC FILING

Ms. A. Shonta Dunston, Interim Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Reply Comments on Make Ready Credit Programs
Docket Nos. E-7, Sub 1195 and E-2, Sub 1197**

Dear Ms. Dunston:

Pursuant to the North Carolina Utilities Commission's *Order Requesting Comments* issued on May 28, 2021, as amended by the *Order Granting Extension of Time* issued on July 21, 2021 in the above-referenced dockets, enclosed for filing are Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Reply Comments on the Make Ready Credit Programs.

If you have any questions or require additional information, please let me know.

Sincerely,

Kendrick C. Fentress

Enclosure

cc: Parties of Record

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1197
DOCKET NO. E-7, SUB 1195

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)
)
Application by Duke Energy Carolinas,) **JOINT REPLY COMMENTS BY DUKE**
LLC, and Duke Energy Progress, LLC, for) **ENERGY CAROLINAS, LLC AND DUKE**
Approval of Proposed Electric) **ENERGY PROGRESS, LLC ON THE**
Transportation Pilot) **PROPOSED MAKE READY CREDIT**
)
)

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) and together with DEC, “Duke” or the “Companies”) by and through counsel, and, pursuant to the Commission’s November 24, 2020 *Order Approving Electric Transportation Pilot, In Part*, (“ET Order”), and the Commission’s May 28, 2021 *Order Requesting Comments*, in the above-captioned Docket Nos. E-2, Sub 1197 and E-7, Sub 1195 and submit these Reply Comments in response to Initial Comments filed on the Companies’ Make Ready Credit (“MRC”) Programs in the above-captioned dockets. The Initial Comments filed by the parties supported the MRC Programs; no party indicated that the MRC Programs should be denied. The Companies’ Reply Comments respond to specific assertions and recommendations made by the parties.

The following parties filed the initial supporting comments: (i) the Public Staff of the North Carolina Utilities Commission (“Public Staff”); (ii) North Carolina Sustainable Energy Association (“NCSEA”); (iii) the Carolinas Clean Energy Business Association

(“CCEBA”); (iv) Calstart Coalition for Commercial Electric Vehicles (“CALSTART”), (v) Zeco Systems, Inc. d/b/a Greenlots (“Greenlots”); (vi) FreeWire Technologies (“FreeWire”); (vii) ChargePoint, Inc. (“ChargePoint”); and (viii) North Carolina Justice Center (“NCJC”) and Southern Alliance for Clean Energy (“SACE”). The Alliance for Transportation Electrification (“ATE”) also wrote in “strong support” for MRC Programs. These parties are also members of the Electric Transportation Stakeholder Group (“Stakeholder Group”), established by the Commission in its *ET Order*. As described in the Companies’ initial application, the Companies shared details on their proposed MRC Programs at Stakeholder meetings prior to filing to obtain feedback and solicit ideas from Stakeholders.

A. Background

Governor Cooper’s Executive Order 80 (“EO 80”), *North Carolina’s Commitment to Address Climate Change and Transition to a Clean Energy Economy*, directs that the State of North Carolina will strive to accomplish increasing the number of registered, zero-emission vehicles to at least 80,000 by 2025. Additionally, the North Carolina Department of Environmental Quality Energy Policy Council (“Energy Policy Council”) recommended that the State adopt measures and implement programs that promote EV adoption and ease the transition to an electrified transportation economy for all. The Energy Policy Council further urged consideration by elected officials and regulatory agencies of measures intended to address perceived barriers to electric vehicle (“EV”) deployment.¹

¹ North Carolina Department of Environmental Quality, Energy Policy Council, Biennial Report, issued May 2018, at p. 77 – 78, available at <https://deq.nc.gov/about/divisions/energy-mineral-landresources/energy-policy-council> (“Energy Policy Council Report”).

The Companies' MRC Programs are designed to address a barrier to EV adoption and deployment by reducing the high, upfront installation costs associated with EV charging infrastructure. The Companies' proposal is consistent with EO 80's goals of increasing the number of registered zero-emission vehicles to 80,000 by 2025.

B. The Parties Support Approval of the MRC Programs.

No party filing comments or letters before the Commission and no member of the Stakeholder Group has opposed approval of the MRC Programs. NCSEA, ChargePoint, NCJC and SACE "generally support" the MRC Programs because they will encourage and support customer adoption of electric vehicles in North Carolina. (ChargePoint Comments at 6; NCJC and SACE Comments at 4.) CCEBA "supports MRC programs as a complement to the competitive charging market" to "accelerate third-party investment" in Electric Vehicle Supply Equipment ("EVSE"). (CCEBA Comments at 3.) Greenlots and FreeWire also noted that the MRC Programs would support the build-out of EVSE infrastructure in North Carolina. (See Greenlots Comments at 2, stating that MRC Programs will support state policy goals, and FreeWire Comments at 6, stating that MRC Programs represent the next step in build-out of EVSE infrastructure in North Carolina.) ATE stated that the Companies' MRC Programs were not only consistent with the Commission's *ET Order* but also consistent with several "critical objectives" in North Carolina's move toward adopting EV. (ATE Letter at 2.) The Public Staff also supported the MRC Programs as "a measured step based on long standing policies already in place at the Companies." (Public Staff Comments at 5.) Furthermore, the Public Staff described the Companies' Line Extension Programs (which the MRC Programs are modeled after)

as providing a “good illustration of how to balance the cost of extending service with the costs of serving new loads.” (Public Staff Comments at 5.)

The Companies appreciate the Public Staff’s support for their MRC Programs. The Companies would like to clarify one point made in the Public Staff’s Initial Comments, however. Regarding the Companies’ MRC proposals, the Public Staff stated:

“The Companies provided projected EVSE costs and revenue credits for typical installation scenarios to stakeholders at the April 15, 2021 meeting, stating that the Companies relied on similar calculations and inputs from their affiliate company Duke Energy Florida for the initial determination of credits. Based on the Companies’ projections, the Public Staff has calculated that residential customers would receive revenue credits ranging between 18% of the cost (for new or upgrade service) and 67% of the cost (for existing service). Non-residential Level-2 and DCFC EVSE would receive revenue credits that cover 11-14% of the cost (for new or upgraded service) to 14-23% of the cost (for existing service).”

(Public Staff Comments at 4.) To clarify, the Companies provided illustrative examples of various scenarios to stakeholders at the April 15, 2021 meeting to explain the mathematical computation of the MRC and the interplay of the MRC with the Companies’ Line Extension Plans. The illustrative figures were so noted within the presentation and did not represent actual numbers with respect to make-ready estimates from Duke Energy Florida. However, load shape data from Duke Energy Florida was used to determine the kilowatts and kilowatt-hours typically consumed for certain use cases (i.e., public, workplace, school bus and transit bus) to pre-calculate MRC for Level 2 and DCFC EVSE up to 50 kW.

- C. The Companies Agree with the Recommendations of Several Intervenors on Frequency of Providing Bill Credits, Sizing of the Installations, and the Types of Chargers and Charging Equipment to Be Included.

The Companies agree with NCJC/SACE’s recommendation that it is important to provide MRC within one billing cycle of installation of the MRC infrastructure to enhance access and remove barriers to participation. (NCJC/SACE's Comments at 3.) The Companies will provide the MRC within one billing cycle of installation unless information received from the applicant is incomplete and/or inaccurate. NCJC/SACE also recommended that for non-residential participants, the Companies should consider whether an inexpensive, incremental increase in the capacity of upgrades at some customer sites would in turn allow for additional EV charging without the need for further infrastructure upgrades—basically a recommendation that the Companies should support make ready infrastructure with some room for growth where it would be economic. (NCJC/SACE Comments at 7-8.) The Companies agree that there will likely be customer sites where this approach is appropriate, and the Companies are open to providing MRC that would support such inexpensive, incremental infrastructure, if the Commission agrees. This approach would aid in removing barriers to participation by enabling future cost-effective expansion.

Both NCSEA and ChargePoint made recommendations regarding the equipment involved. NCSEA noted that the Companies’ tariffs specify a SAE J1772 plug, which Tesla Chargers cannot use. NCSEA recommends that the Commission allow customers to use all types of EVSE chargers.

The Companies agree with NCSEA’s recommendations. Specifically, with respect to NCSEA’s concern about Tesla being excluded, the Companies will amend their filed tariffs to remove the SAE J1772 requirement to ensure Tesla plug-in equipment will not be excluded. The tariffs were never intended to be exclusionary or to dictate charger

technologies in this regard. All of these recommendations are generally consistent with the Companies' goal of offering a program that will remove barriers to participation and help make "EVs a viable option for a broader array of customers." (See NCJC/SACE Comments at 2, describing how the high upfront costs of EVs remains a barrier to adoption.)

ChargePoint recommended that the L2 chargers be Energy Star certified and reviewed by national safety labs. The Companies will agree to consider ChargePoint's recommendation that the L2 chargers be Energy Star certified and tested by a national security laboratory, to the extent that these recommendations do not limit competition.

D. The Companies' Agreement to Annually Report on the MRC Program Will Provide Sufficient and Pertinent Information to the Commission and Stakeholders on a Regular Basis.

The Companies have committed to reporting on the progress of the MRC program, including how many customers are, on an annual basis. The Public Staff commented that it was concerned about the level of information that the Companies intended to report to the Commission and the Stakeholders. The Public Staff requested more frequent reports and additional information be included in these reports. Specifically the Public Staff requested that the reports be filed semiannually with information on (1) the amounts of the credits and the estimates of the costs, which are tentative in nature and may need to be adjusted to maintain the balance between EVSE costs and EV loads; (2) adoption rates for each type of EVSE; (3) EV loads; (4) the costs observed per installation; (5) the revenue credits paid; and (6) any other distribution system cost impacts associated with EVSE deployment. CCEBA also recommends that, at the time of application, the Companies ask

or require customers participating in the MRC Programs to fill out surveys on their projected energy usage and willingness to participate in future programs. NCJC and SACE also express concerns about the collection of data and the sharing of lessons learned with Stakeholders. Thus, they recommend that the Stakeholders create a data collection plan or include the MRC program in the Evaluation, Measurement and Verification (“EM&V”) plan of the Phase II Pilot programs.

The Companies are not opposed to reporting to the Commission and the Stakeholders information that they can accurately track on the progress of the MRC Program. Collection of, and more frequent reporting on, additional data as proposed by the Intervenors, however, may result in added costs and complexity for the MRC programs. The Companies intend to track the data they gather on this program and to report it to the Stakeholder Group and the Commission on a regular basis. The Public Staff recommends reporting its requested data every six months, filing the reports with the Commission, and distributing the reports to Stakeholders. The Companies believe that annual reporting, however, rather than six-month “snap shots” in time, will produce more robust and meaningful data.

The Companies have regularly updated the Stakeholder Group, which includes the Public Staff, on the status of the approved programs in the first Phase of the Pilot, and they intend to continue with these updates in the quarterly meetings. During these updates, the Companies are prepared to answer questions from Stakeholders on status and implementation. Additionally, as the Companies have emphasized many times to the Stakeholder Group in the Stakeholder meetings, Stakeholders should reach out to the Companies to inquire about the status and progress of ongoing (or proposed) programs.

The same will be true in the future. Therefore, filing a formal report every six months could be duplicative to the information that the Stakeholders are already receiving on a quarterly basis.

With respect to the categories of data on which the Public Staff recommends that the Companies report, the Companies note that the precise tracking of the EV load metrics and any other distribution cost impacts may not be readily available. The Companies may be able to discern increased load and to flag participant customer accounts once the Customer Connect billing system has been completely implemented in both DEC and DEP. However, teasing out what portion of a load increase is directly attributable to the MRC Programs may prove to be difficult to do with a high level of precision. The Companies may be able to provide an estimated usage based on Advanced Metering Infrastructure (“AMI”) data.

The Public Staff also supported the installation of metering and load research devices at the premises of participating customers to collect data about the usage characteristics of the charging stations. CCEBA also recommended that the Companies “encourage or require” program participants to participate in market surveys on their anticipated usage of EVs and their willingness to participate in other demand response offerings. SACE/NCJC also recommended that the MRC Programs be included in the EM&V that is ongoing for the Phase I Pilots. Including the MRC Programs in the EM&V for the first Phase of the Pilots, however, will likely result in increased scope and cost to the already in-process EM&V work for the Phase I Pilots. The EM&V for Phase I of the Pilots will be handled by an outside third party. For these non-pilot programs, the Companies believe that they can appropriately track the relevant information for sharing

with the Stakeholders and Commission without the added expense of the third-party EM&V. Installing meters on the customer's side of the meter and collecting and reporting the amount of data requested by the Public Staff and other intervenors at this time could impose additional costs, however. Recognizing the importance of understanding what impact the MRC Program is having on the transition to more electric transportation in this State, the Companies propose to collect and report data on customer participation, the estimated usage associated with the EVSE based on AMI data, the amounts of the credits and the estimates of the costs, costs observed per installation, the revenue credits paid, and any other distribution system cost impacts associated with EVSE deployment annually, starting eighteen months from the commencement of the MRC Program for DEC and DEP. The Stakeholders will also be updated quarterly on the progress of the programs. Furthermore, the Companies have, throughout the Stakeholder proceedings in this matter, responded to questions and inquiries from the Stakeholders. Accordingly, the Companies believe that their proposal for reporting strikes an appropriate balance between providing pertinent and timely information to the Commission and the Stakeholders and reducing costs and complexity for customers seeking to participate.

- E. To Meet the Participating Customer's Needs, the Companies Will Engage Directly with Customers and Contractors on Credits Available for Their Installations.

The initial comments filed by CALSTART, NCSEA, CCEBA, and NCJC and SACE all express concern that the MRC Program is not sufficiently transparent for potential participants. Specifically, NCSEA and CCEBA both indicate that the revenue credit values should be more transparent for residential customers. NCJC and SACE agree that basing the MRC Program on the Line Extension Plan is appropriate but recommend

that the Companies provide up-front calculations of the make ready credit for prospective non-residential applicants.

The Companies agrees that customers require clarity as to the exact value of their make ready revenue credits (subject to the limitation on the Demonstrated Costs of the installation), and the Companies will provide those values to customers. The MRC is important for the customer's evaluation of options; indeed, the entire purpose of the MRC is to help customers, including those with limited incomes, make an EV adoption decision without upfront expenses becoming an undue barrier. However, to maintain flexibility, given that (1) this is intended to be a durable program, (2) the program is based in part on revenue credits, and (3) revenue credits will be subject to adjustment based on rate changes and technology upgrades, the specific values are not published in the proposed tariffs. The Companies are instead putting the systems, tools, standardized assumptions, and personnel in place to get maximum MRC figures to customers upon request and will also convey that information to contractors that will be participating in the residential Contractor Credit Option, as well as non-participating contractors that communicate with DEC and DEP on behalf of customers.

In support of the above principles and goals, the Companies note that they have designed the MRC Programs to reflect the revenue crediting approach in the Companies' successful, approved Distribution Line Extension Plans. Indeed, the Companies stated in the proposed, respective tariffs that the MRC approach is "akin to the revenue credit approach in the Company's Distribution Line Extension Plan." As the Public Staff noted in its Comments:

the Public Staff generally supports the MRC Request, as it is a measured step based on long standing policies already in place at the Companies.

These programs must balance the costs of extending service with the costs of serving new loads, and the *LEPs [Line Extension Plans]* have provided a good illustration of how to balance these costs and loads.

Additionally, revenue credits under the proposed make ready programs have a dual limitation – the expected revenue to the Companies arising from EV charging over several years (five years in the case of residential) and the Demonstrated Costs of the infrastructure installation. This dual limitation in turn provides a dual protection against excessive credits and ensures that incentives will be appropriately sized. A purely cost-based incentive, at a 100% coverage level, would provide clarity to the participating customer, in that the participating customer would know that its own make ready cost is zero. The Companies intentionally chose a more balanced approach, with a revenue limitation, that would encourage EV adoption, but not at all costs. As ATE notes:

[s]ome customer sites, especially for C&I customers but also residential, will post unique challenges for the utility and customer to resolve with the vendors and contractors due to site design, meter location, and finding the most convenient place to locate the EVSE. This program allows flexibility in the process to maximize customer choice and mitigate cost shifts.

(ATE Letter, at 2.) To overcome the challenges and provide the necessary clarity to customers about MRC levels, the Companies are dedicated to working and engaging with participating customers or contractors and will take the following steps:

- Offering the Contractor Credit Option to residential customers. The Companies expect that this option will be popular. The Companies will work with experienced and approved contractors who will be able to convey to participating customers their individual MRC value (subject to the

Demonstrated Costs) after a short communication with DEC or DEP personnel, as applicable and/or based on current standardized assumptions.

- Developing very detailed calculator tools to be used by their personnel for calculating maximum MRC. The Companies plan to also use standardized assumptions about increased consumption from EV charging. As the Companies communicated to NCSEA in data request responses, the Companies initially plan to use 225 kWh/month as the assumed residential consumption increase level from a standard EV charger. (NCSEA Comments at 2.) Other standardized consumption levels will be used for non-residential installations of up to 50 kW of nameplate EV charging capacity. With such standardization, DEC or DEP personnel will be able to immediately convey to contractors and customers what the maximum DEC and DEP MRC is for a typical residential installation. That said, if experience, or changes in technology, potentially coupled with AMI data that yields estimates of EV charging usage, reveal that the assumed consumption increases are too high or too low, or if the rates and rate offerings change, the MRC would be able to be periodically adjusted to new levels. The current intention is to do so at least annually.
- Utilizing calculation tools and trained staff. Even for non-residential customers with charging capacity exceeding 50 kW, the Companies will be able to take data from the required Customer Usage Profile Form and communicate with customers to determine all the load factor, capacity, and

usage details needed to develop an individualized make ready credit level without delay.

The proposed tariffs, as implemented, will therefore appropriately balance effective communication of exact (maximum, subject to Demonstrated Cost) MRC levels with the flexibility to adjust MRC as circumstances warrant. Customers using the Customer Credit Option or the Contractor Credit Option will have the data necessary for this important investment decision.

NCSEA also raises the potential for an “unfair advantage” for contractors participating in the Contractor Credit Option versus non-participating customers (NCSEA Comments at 3.) The Companies expect that the Contractor Credit Option will be a popular and convenient approach for residential customers; there will not be an unfair advantage. A contractor who is not participating in the Contractor Credit Option will still be able to contact the trained DEC or DEP personnel and quickly access the maximum MRC value for a potential customer, and with a similar level of experience as a participating contractor, will develop the same level of knowledge about make ready credit levels.

CALSTART also raises the concern that, although Companies’ MRC Programs reference the existing Distribution Line Extension Plan, they do not discuss how that existing plan will work for the grid upgrades that are often necessary to serve commercial fleets and high-capacity DC fast charging (“DCFC”). DEC and DEP recognize the value of commercial fleet conversions and DCFC charging installations by commercial customers and welcome this opportunity to clarify the interaction between the MRC and the Distribution Line Extension Plan for the commercial fleet conversions and charging

installations by commercial customers. The Line Extension Plans are filed tariffs that are available on the Duke Energy website.² The DEC Line Extension Plan is formatted differently from the DEP Line Extension Plan, but they contain similar terms and are applied in very similar ways by the Companies.

For the conversion of a commercial fleet or a DCFC installation, there will inevitably be discussions and planning between the customer and the relevant Company (DEP or DEC) to determine the individual needs of the customer. This includes a discussion of: (i) the customer's eligibility for and the applicability of the Line Extension Plan, (ii) the estimated costs and potential for revenue crediting under the Line Extension Plan, (iii) whether the customer has a need for extra facilities,³ (iv) the potential for revenue crediting under the MRC Program, and (v) the potential time frame for construction and facility upgrades.

Because each customer will have different circumstances, a major commercial EV charging installation will have individual attributes to be considered. The two revenue credits (line extension and make ready) are capable of upfront calculation. The proposed MRC Programs' tariffs anticipate that DEC and DEP would need to address the interaction of Line Extension Plan revenue credits and make ready revenue credits. Where a commercial customer⁴ seeks to participate simultaneously in the Line Extension Plan and the MRC Program, the Line Extension Plan by its terms provides three years of revenue

² DEP Line Extension Plan: https://desitecoreprod-cd.azureedge.net/_media/pdfs/rates/a3nclineextensionplandep.pdf?la=en&rev=ae3a2ba1f7e04b0ba1205994680146a7; DEC Line Extension Plan: [Duke Power \(azureedge.net\)](https://www.dukeenergy.com/dec)

³ Details about extra facilities requirements are found in each of DEP's and DEC's Service Regulations, which are also found on Duke Energy's website and are filed tariffs.

⁴ This discussion applies to commercial customers other than multi-family dwellings and municipal housing authorities. The proposed Make Ready Credit Program tariffs offer additional MRC for these customers.

credits toward the contribution in aid of construction. In recognition of that fact, the proposed MRC Program tariffs offer a credit that is limited to one additional year of revenue crediting related to the EV charging load (but no more than demonstrated cost of the EV make ready infrastructure, to avoid over-compensation). Specifically, the proposed tariff provides that:

for such a non-residential customer that is simultaneously participating in the Company's Distribution Line Extension Plan and eligible for revenue credits under such Plan that account for the anticipated EV charging load, the Company will develop a Make Ready Infrastructure revenue credit amount based on the completed Customer Usage Profile form and the expected increase in revenue to be achieved through such usage for the first year following installation, with the Make Ready Infrastructure revenue credits not to exceed the Demonstrated Costs.

CALSTART also questioned how the line extension and MRC streams will work “in tandem” for commercial customers to incentivize EV adoption (CALSTART Comments at 7), an interaction that was clearly described in the proposed tariffs. As noted, MRC can add a year to the revenue credits that are already available to the customer under the Line Extension Plan. With the development of the Customer Usage Profile Form, calculator tools, and some standardization of estimates of non-residential MRC for charging equipment up to 50 kW, DEC and DEP are preparing to provide commercial customers of all sizes with the revenue credit calculations in a timely manner, including for those simultaneously participating in the Line Extension Plan.

DEC and DEP look forward to working with commercial customers on fleet conversions and DCFC installations. The MRC Programs will encourage these installations and others in ways that have been made clear in the proposed tariffs and the development of forms and calculator tools. That said, there will also be unique

circumstances and complexities at each site of a major commercial EV installation. Such circumstances and complexities will be dealt with through existing policies, including the Line Extension Plan and extra facilities policies, as well as through direct communications with the customer.

F. The MRC Programs' Contractor Credit Option Will Assist Customers in Selecting a Qualified Contractor for Installations.

The Companies had indicated in Stakeholder meetings that customers could select a contractor for installation through the Companies' website for Find it Duke. NCSEA requests that the Commission investigate how the Companies approve contractors for the Contractor Credit Option and exercise oversight to ensure it is implemented without discrimination. NCSEA also expressed concern that this would result in mingling a regulated utility program with non-regulated programs such as Find It Duke.

For background, Find It Duke is part of a regulated utility program, the Residential Smart Saver Program, which is subject to review annually by the Public Staff, intervenors, and this Commission as part of the Companies' separate, annual, energy efficiency ("EE") and demand-side management ("DSM") cost recovery proceedings. Contrary to NCSEA's implication that the Find It Duke referral channel is non-regulated, the Companies note that the Commission approved the Company's request to implement this referral channel to offset some of the costs associated with the Residential Smart Saver Program on February 9, 2016, in Docket No. E-7, Sub 1032. The Find it Duke referral channel arose from an effort to enhance the cost-effectiveness of the Residential Smart Saver Program by allowing for the revenues collected for all referrals to flow back to ratepayers through the EE/DSM rider. At this time, the referrals are mostly related to EE measures. However, in

response to customers requesting the referred contractors to do work that included tree trimming or pool services, the Companies have included those services as well in the Find it Duke referral channel.

The Commission recently requested DEC to provide information on how it approves contractors for participation in the Find it Duke referral channel⁵. *Order Requiring Answers to Questions Regarding Find It Duke Program*, Docket No. E-7, Sub 1249, June 24, 2021. In response, DEC provided that qualification guidelines for the approval of contractors can vary by service type, but all contractors participating in the FID referral channel must: (i) be in good standing with Better Business Bureau; (ii) have minimal negative customer reviews posted by other review services; (iii) possess a valid W-9; (iv) meet minimum general liability/workers compensation insurance requirements; (v) possess valid state certifications or business licenses; and (vi) agree to the terms and conditions of the Find it Duke referral channel. The Companies' goal with the Find It Duke referrals is to ensure a positive experience for customers and to address customers' needs and questions. To that end, Trade Ally Outreach identifies contractors who have historically been active partners with the Residential Smart \$aver Program or other residential Duke Energy programs; utilizes partnerships with manufactures /distributors; and identifies contractors that have quality Better Business Bureau ratings and positive Google reviews.

With respect to NCJC/SACE's recommendation that the Commission should direct the Companies to make special efforts in outreach and training opportunities to historically underutilized businesses, the Companies note that effort is already underway. Again, in

⁵ Although the Commission's questions were directed at DEC, the same answers would be true for DEP.

response to the Commission's recent order on Find It Duke, DEC reported that the Trade Ally Outreach team has engaged potential Find It Duke contractors through a variety of outreach channels to determine those firms that met the program standards and had an interest in participating in the program. However, the Companies recognize the importance of better tracking, recruiting, and incorporating disadvantaged business into the Find it Duke contractor network. The Find it Duke team is currently collaborating with Duke Energy's Supplier diversity team to build a strategy and supporting tools to better incorporate disadvantaged contractors into the Find it Duke program.

G. The Companies' Clarification of What Assumptions were Used to Determine Reimbursement Amounts Across the Technology Types and Use Cases.

NCJC/SACE requested that the Commission seek clarification on what assumptions were used to determine reimbursement amounts across the technology types and use cases. In response, the Companies' clarification follows:

The Companies hosted an MRC information session for Stakeholders on May 19, 2021 to explain the assumptions, use cases, and calculations related to the MRC proposed by the Companies. The purpose of the session was to allow Stakeholders to ask questions regarding the assumptions and to give the Companies an opportunity to explain in greater detail the kilowatt hours and kilowatts used to calculate the various segments. As discussed in the meeting, the Companies used load shape data from its Florida affiliate as it is the most comprehensive information the Companies have to-date (see Figures A and B). Duke Energy Florida Park and Plug data is based on a total of 590 charging ports, of which 83 are low-income qualified ports, and 74,061 charging sessions. Based on the Park and Plug information, the Companies presented a table to the Stakeholders similar to Figure

C below. The scaled demand is the basis for the kilowatt hours and was based on the maximum demand consumed by segment based on the Florida Park and Plug data. This data indicates that the nameplate capacity of the charger is typically not the demand used by car batteries when charging.

For DEC and DEP, demand charges are accounted for based on the applicable rate schedule. In the information session hosted on May 19, 2021 (and also in the May 7, 2021 Stakeholder meeting), the Companies shared the applicable rate schedules for each utility used in the calculations. For non-residential in DEC, Schedule SGS is applicable up to 75 kW. For non-residential in DEP, Schedule SGS is applicable up to 30 kW, and Schedule MGS is applicable from 30 kW to 999 kW. For residential, the Companies assumed Schedule RE in DEC and R-TOU in DEP. The Companies explained to Stakeholders that the make-ready process will evolve over time as they gain more insights from North Carolina customers. The Companies also indicated a willingness to work with the Public Staff to analyze trends frequently and make changes as appropriate.

Figure A

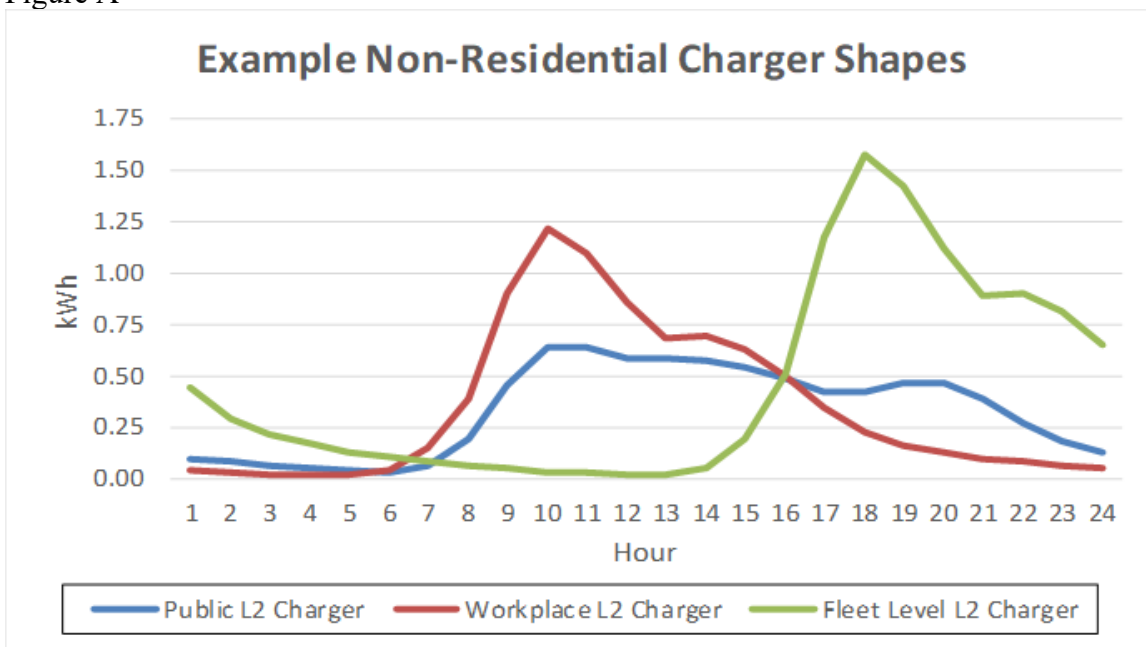


Figure B

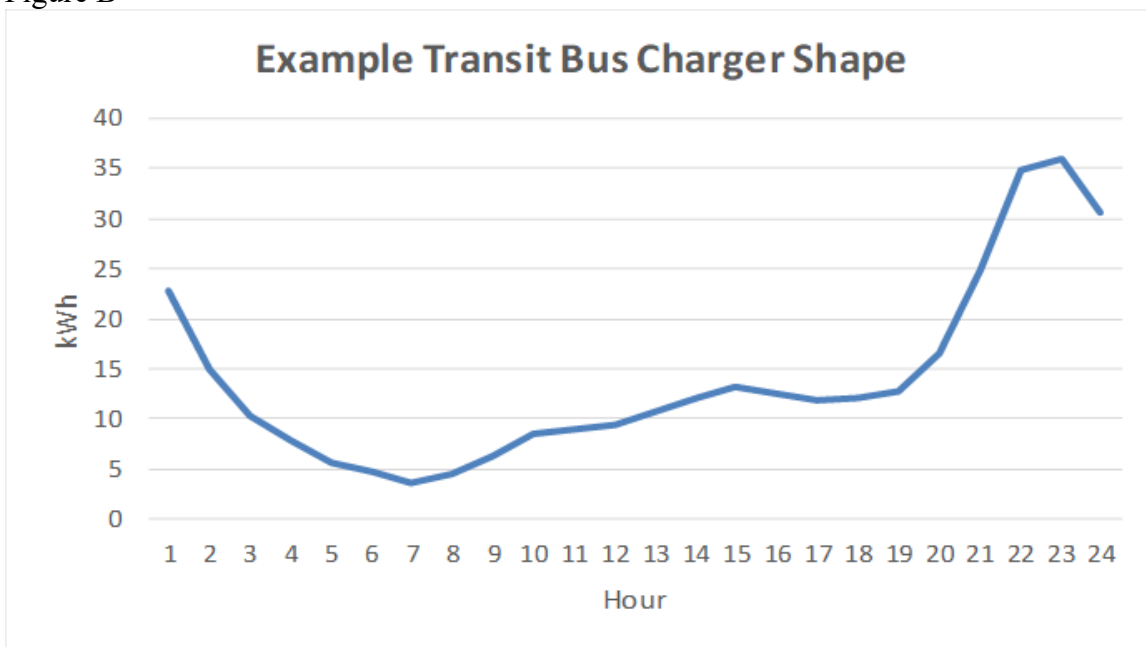


Figure C

Segment	Months	Days	Hours of Charging Per Day	kWh per Month	kWh per Year	Charger Type	Nameplate kW Range	Scaled kW
Public L2 Charger / Multi-Family	12	30	Varies	235	2,822	L2	6.0 to 9.6	2.52
Workplace L2 Charger	12	21	Varies	177	2,124	L2	6.0 to 9.6	6.4
Fleet Level L2 Charger	12	21	Varies	216	2,596	L2	6.0 to 9.6	12.8
Public DCFC / Multi-Family	12	30	Varies	679	8,149	DCFC	50	24.98
School Bus - DCFC	9	21	Varies	3,162	37,946	DCFC	50	36.63
Transit Bus - DCFC	12	30	Varies	10,098	121,176	DCFC	50	36.03
Residential	12	30	1	225	2,700	L2	6.0 to 9.6	6.16

H. The Companies Marketing Plan Is Intended to Reach Out to All Potential Customers.

NCJC/SACE also requested that the Commission direct the Companies to clarify what their marketing/outreach plan is to reach all customer segments, including low-and moderate- income and rural communities. The Companies designed their MRC Programs to include encouragement of EV adoption in high density areas and/or low-income areas with fewer single-family homes and to ensure equitable opportunities. To that end, the tariffs include a proposal that for EV charging installations by owners or managers of Multi-Family Dwellings or by Housing Authorities, the revenue crediting will reflect five years of revenue--the same period as the revenue credit for a single-family homeowner. With this inclusion in their tariffs, the Companies intend to market the MRC Programs to all customers at this time. The Companies are prepared to work with NCJC/SACE as Stakeholders to determine marketing best practices for reaching low-and moderate income and rural communities.

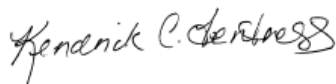
The Companies also note that currently several other collaborative efforts involving DEC and DEP are ongoing. These include the Rate Design Collaborative and the Low-

Income Collaborative, both of which are addressing issues on EV adoption that are relevant in this matter. The Rate Design Collaborative, in particular, will be addressing managed charging and rates designed specifically for EV use. The Companies intend to incorporate the learnings from those Collaboratives to inform their efforts going forward on the transition to electric transportation in North Carolina.

CONCLUSION

Based on the foregoing, the Companies respectfully request that the Commission consider these Reply Comments in its review of the Companies' MRC Programs and grant any such other relief as the Commission deems just and reasonable.

Respectfully submitted, this the 3rd day of August 2021.



Kendrick C. Fentress
Associate General Counsel
P.O. Box 1551, NCRH 20
Raleigh, NC 27602
Tel: (919) 546-6733
Kendrick.Fentress@duke-energy.com

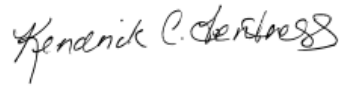
Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
353 E. Six Forks Road, Suite 260
Raleigh, NC 27609
Tel: (919) 828-5250
bkaylor@rwkaylorlaw.com

Dwight W. Allen
The Allen Law Offices,
4030 Wake Forest Rd., Suite 115
Raleigh, NC 27609
Tel: (919) 838-0529
DAllen@theallenlawoffices.com

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Reply Comments on Make Ready Credit Programs, in Docket Nos. E-7, Sub 1195 and E-2, Sub 1197, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 3rd day of August, 2021.



Kendrick C. Fentress
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, NC 27602
Tel 919.546.6733
Kendrick.Fentress@duke-energy.com