

**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	)
	ORDER CONSIDERING FEDERAL
	STANDARDS WITH RESPECT TO
	ELECTRIC VEHICLE CHARGING
	PROGRAMS

BY THE COMMISSION: On November 15, 2021, the President of the United States signed into law the Infrastructure Investment and Jobs Act, H.R. 3684, 117th Cong. (2021) (IIJA). Section 40431 of the IIJA amends the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. § 2611 et seq., by adding new federal ratemaking standards relating to electric vehicle charging programs (the EVCP standards).

Specifically, the IIJA amends PURPA by adding Section 111(d)(21), 16 U.S.C. § 2621(d)(21), which provides as follows:

**ELECTRIC VEHICLE CHARGING PROGRAMS.** – Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that –

- (A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
- (B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;
- (C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and
- (D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

Further, Section 40431 of the IIJA amends PURPA Section 112(b), 16 U.S.C. § 2622, to require each state regulatory authority with ratemaking authority over electric utilities to commence consideration under section 111 of PURPA, 16 U.S.C. § 2611, or to set a

hearing date for consideration with respect to the standard established by the IIJA in section 111(d)(21) of PURPA, 16 USC § 2611(d)(21) within one year of the enactment of the IIJA and to complete the consideration and make the determination with respect to the new electric vehicle charging programs within two years of enactment of the IIJA. IIJA § 40431(b), amending PURPA section 112(b), 116 U.S.C. § 2622(b).

On November 15, 2023, the Commission issued its Order Scheduling Hearings, finding that the Commission had undertaken consideration of standards that are the equivalent of EVCP Standards with respect to Duke Energy Carolinas, LLP (DEC) and Duke Energy Progress, LLP (DEP), but not with respect to Virginia Electric and Power Company d/b/a/ Dominion Energy North Carolina (DENC). The Commission set a procedural schedule for receiving public witness and expert witness testimony.

On March 1, 2023, ChargePoint, Inc. (ChargePoint), filed a petition to intervene, which was subsequently granted. Carolina Industrial Group for Fair Utility Rates I (CIGFUR I) filed a petition to intervene on April 18, 2023, which was granted.

On March 17, 2023, DENC and the Public Staff filed a Joint Motion to Amend Order Scheduling Hearings, in which they requested that the Commission receive comments in lieu of expert testimony. On April 12, the Commission granted the motion, canceling the expert witness hearing and requiring the parties to file verified comments.

A public witness hearing was held on May 31, 2023, at the Halifax County Courthouse in Halifax, North Carolina. No public witnesses appeared to give testimony.

On May 5, 2023, DENC filed Initial Comments of Virginia Electric and Power Company D/B/A Dominion Energy North Carolina Addressing Electric Vehicle Charging Programs pursuant to Section 111(d)(21), 16 U.S.C. § 2621(d)(21), which were verified by Kathleen D. Staples, Director of Electrification for DENC. On the same day, ChargePoint filed the unverified Initial Comments of ChargePoint, Inc.

On June 5, 2023, the Public Staff and ChargePoint filed unverified reply comments.

On June 19, 2023, DENC filed Rebuttal Comments of Virginia Electric and Power Company D/B/A Dominion Energy North Carolina Addressing Electric Vehicle Charging Programs pursuant to Section 111(d)(21), 16 U.S.C. § 2621(d)(21), which were verified by Ms. Staples.

On September 15, 2023, ChargePoint filed a Motion for Leave to Withdraw, which was granted by the Commission on October 25, 2023.

### Summary of Comments

In its initial comments, the Company expressed its commitment to supporting transportation electrification. It stated that its existing programs meet all four of the new

EVCP standards, as described in greater detail below. However, at the present time, all of those programs are offered only in its Virginia territory, in which it does business as Dominion Energy Virginia (DEV). The Company explained that of the approximately 42,000 electric vehicles (EVs) registered in its service territory, only approximately 400 are in its North Carolina territory, with the rest being in its Virginia territory.

With respect to EVCP Standard A, promotion of affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure, DENC described its existing EV-related programs:

- EV Charger Rewards Program – a residential demand response program that allows DEV to adjust charging behavior during peak demand;
- Off-Peak Plan – a residential time of use rate plan;
- Residential Charging Program – a residential program in which DEV installs and maintains a Level 2 EV charger for a monthly fee;
- Level 2 Charging Program – a limited program for businesses, multifamily communities, and public charging in which DEV installs, owns, and maintains charging stations, with an upfront incentive of 50% of the installed cost of the EV Supply Equipment and a monthly payment over ten years for the balance;
- Fleet Charging Program - a limited program in which DEV installs, owns, and maintains charging stations, with an upfront incentive of 50% of the installed cost of EV Supply Equipment and a monthly payment over ten years for the balance;
- Electric School Bus Program – a program in which DEV provides utility coordination, grid upgrades, construction, and charger installation in exchange for the ability to use the buses for vehicle-to-grid support when they are not used for pupil transportation.

The Company further noted that several of its EV-related programs include incentives for low-income customers, low-income communities, and communities of color. The Company stated that it evaluates federal and local grant opportunities that could potentially defray customer costs.

DENC demonstrated awareness that while transportation electrification will result in new demand and energy usage requirements placed on the Company's electric grid, likely resulting in new infrastructure costs, these cost impacts can potentially be reduced by measures such as managed charging which shift increased energy requirements to times of lower demand. DENC stated, "Importantly, as utilities plan and invest proactively,

they can maximize the benefits and minimize the costs of electrification.” DENC Initial Comments at 7.

Turning to EVCP Standard B, improving the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles, DENC stated that it provides education to customers regarding the types of charging infrastructure, charging times, and public charging locations. It is active in the EV industry, including as founding members of the National Electric Highway Coalition.

DENC stated that its EV strategies are suitable for and allow maximum third-party investment, thus meeting EVCP Standard C, accelerating third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles. The Company noted that it has a dedicated team to expedite EV charging installation by private developers and that it has launched a hosting capacity map to help third parties identify which parts of the electric distribution system may be more suitable for EV fast charging station installations.

With respect to EVCP Standard D, appropriately recovering the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure, DENC explained that it currently recovers the costs of EV charging through residential and general service rates and that it continues to explore and evaluate the most appropriate solution for cost recovery.

The Public Staff stated that “[i]t is apparent to the Public Staff that DEV has been developing and implanting EV-related actions and programs that could provide valuable information and cost-effective opportunities to DENC.” Public Staff Reply Comments at 5. The Public Staff noted that with respect to energy efficiency (EE) programs, the Company has historically offered a program first in DEV and expanded it to DENC when it reached a sufficient level of cost-effectiveness. The Public Staff suggested this model could also serve to develop and deploy EV-related programs in DENC.

With respect to EV-specific rate designs, the Public Staff stated that it “encourages DENC to pursue the same EV-related related programs now available through DEV to the benefit of DENC’s customers in North Carolina.” Public Staff Reply Comments at 6. The Public Staff noted that in its most recent rate case, DEP entered a stipulation that required it to pursue EV rate designs within 90 days after the Commission issued an order approving the settlement. The Commission’s Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Public Notice in Docket No. E-2, Sub 1300 (DEP Rate Case Order) approved the Agreement and Stipulation of Settlement on Performance Incentive Mechanisms, Tracking Metrics and Decoupling Mechanism which includes the requirement for DEP to file EV tariffs. DEP Rate Case Order at 231, 237.

The Public Staff concluded its comments by saying “DENC is in a good position to rely upon its work in Virginia through DEV to advance the successful EV-related programs

into North Carolina and recommends that the Commission encourage DENC to pursue those EV-related programs that can be cost-effectively offered in North Carolina." Public Staff Reply Comments at 7. Further, the Public Staff opined that the Commission had met the PURPA requirement to consider measures to promote greater electrification of the transportation sector pursuant to Section 11(d)(21) by issuing the orders involving DEP and DEC referenced in the Order Scheduling Hearings and that "[t]he Commission's direction in those orders should provide DENC with the appropriate guidance for seeking approval of its own electric transportation pilots or programs when DENC believes such initiatives can be implemented in a cost-effective manner in North Carolina."

In its rebuttal comments, DENC stated that given the relatively small penetration of EVs in DENC's service territory and the fact that the EV-specific programs in DEV were only recently implemented, DENC requires additional time to evaluate whether EV-specific rates and programs can be prudently implemented in North Carolina. DENC states that it is collecting data from its Smart Charging Infrastructure Pilot Program in Virginia and will consider whether a similar program could be cost-effectively offered in North Carolina. Finally, it states that designing a demand charge alternative rate would require expending significant resources and that DENC does not believe such an effort should occur outside the context of a rate case proceeding. DENC states that it will consider whether it is prudent to offer something similar in its next rate case.

#### Commission Conclusions

The Commission notes that the comments received in this docket reflect consensus around certain fundamental premises. First, the Company is taking steps in its DEV territory that meet the PURPA EVCP standards. Second, it is appropriate for the Company to plan for the charging needs of the increasing numbers of EVs in its territory. Third, there are rate designs that can accommodate EV charging in a way that is neutral or even beneficial to ratepayers, particularly in light of the increased load associated with EVs. The primary areas of disagreement surround the pace at which the Company should implement EV-specific programs and rate designs and how prescriptive the Commission should be in directing DENC to take action to promote transportation electrification.

Based on the details of DENC's efforts and the parties' comments, the Commission concludes that DENC is moving at a reasonable pace and in a reasonable manner to serve the EV charging needs of customers in its service territory. DENC is a relatively small service territory, and as the Public Staff observed, the Company often first implements new programs in its DEV territory until they reach a sufficient scale to be cost-effectively implemented in DENC. The proportion of EV's in DEV compared to those in DENC is roughly a hundred to one.

The Commission finds that it is reasonable and appropriate for DENC to continue its current course of action, in which it evaluates EV-related programs available in DEV to determine whether they are suitable to be offered in DENC and to seek Commission approval for new programs when it determines they can be offered cost-effectively in

DENC. In proposing new EV-related programs, the Commission finds it reasonable and appropriate for DENC to be guided by the Commission's orders with respect to EV programs approved for DEP and DEC, as well as the EVCP Standards.

Until it files its next general rate case, DENC should file an annual report in this docket, beginning one year from the date of this order, providing an update to the Commission with respect to its evaluation of the suitability of implementing in DENC any Company program designed to or suitable for supporting transportation electrification, such as make ready programs, rate designs, and demand response programs.

IT IS, THEREFORE, SO ORDERED.

This the 6th day of November, 2023.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Tamika D. Conyers". The signature is written in black ink and is positioned above the printed name of the signatory.

Tamika D. Conyers, Deputy Clerk

Chair Charlotte A. Mitchell and Commissioner Jeffrey A. Hughes did not participate in this decision.