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November 22, 2023

VIA ELECTRONIC FILING

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

RE: Duke Energy Carolinas, LLC's Motion to Suspend Launch and

Implementation of Electric Vehicle-to-Grid Pilot Program

Docket No. E-7, Sub 1275

Dear Ms. Dunston:

Enclosed for filing in the above-captioned docket is Duke Energy Carolinas, LLC's Motion to Suspend Launch and Implementation of Electric Vehicle-to-Grid Pilot Program.

If you have any questions, please let me know.

Sincerely,

Jason A. Higginbotham

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Enclosure

cc: Parties of Record

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-7, SUB 1275

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Duke Energy Carolinas, LLC for Approval of Electric Vehicle-to-Grid Pilot Program Pursuant to N.C. Gen. Stat. § 62-133.9 and Commission Rule R8-68 DUKE ENERGY CAROLINAS, LLC'S MOTION TO SUSPEND LAUNCH AND IMPLEMENTATION OF ELECTRIC VEHICLE-TO-GRID PILOT PROGRAM

NOW COMES Duke Energy Carolinas, LLC ("DEC" or the "Company"), pursuant to the North Carolina Utilities Commission's ("Commission") April 11, 2023 *Order Approving Pilot Program Subject to Conditions*, in the above-referenced docket ("V2G Order"), and respectfully moves for authorization to suspend the launch and implementation of the Company's Electric Vehicle ("EV") Load Control Service Pilot, approved by the Commission in the V2G Order ("V2G Pilot"), until January 1, 2025.

By this request, DEC intends to postpone the launch and implementation of the V2G Pilot for 12 months from current effective date of January 1, 2024 and monitor developments in the electric transportation ("ET") industry to determine whether changes in current economic conditions, customer behavior, and the availability of V2G-capable system software will occur such that DEC can launch the pilot in an environment that will allow for the collection of more robust data on the benefits of bi-directional Vehicle-to-Grid ("V2G") technology and its ability to support the discharge of EV batteries to support the grid. DEC is also requesting modifications to its reporting requirements established by the V2G Order, as discussed below.

DEC remains committed to exploring ways to incentivize the adoption of EVs and to maximize the potential benefits EV technologies can provide to both the EV owner and the electric utility system. As such, DEC's request pertains only to the V2G Pilot approved in this docket and does not include any other ET programs or pilots.

In further support of this Motion, DEC states the following:

- 1. On April 11, 2023, the Commission issued the V2G Order approving the V2G Pilot with conditions. The Commission found that the V2G Pilot was consistent with certain of the minimum criteria for approval of ET pilot programs, including that it had been proposed with a proper scale and scope and would leverage other funding. The Commission also found that the proposed pilot met the requirements of a new demand-side management program, as set forth in N.C. Gen. Stat. §§ 62-133.8 and 62-133.9 and Commission Rules R8-67 and R8-68, and was in the public interest. The Commission ordered DEC to submit compliance tariffs within 10 days of the V2G Order and established certain reporting requirements for the Company including the requirement to submit an evaluation, measurement & verification plan within 90 days of implementation of the pilot and a report on the commercialization of the pilot within nine months of the V2G Order.
- 2. On April 21, 2023, DEC submitted the required compliance tariffs for the V2G Pilot establishing an effective date of January 1, 2024 for the pilot. In that filing, DEC explained that the proposed effective date was intended to provide sufficient time for the development of the software necessary for the V2G Pilot to commence. The Company also indicated that it would file the required commercialization report within nine months

¹ V2G Order at 7.

² *Id*.

of the V2G Order; however, given the revised effective date for the pilot, the report would likely be an update to the Commission on the Company's commencement of the pilot.

- 3. As the Commission is aware, the U.S. is currently experiencing a period of high inflation and multiple industries are attempting to navigate supply chain constraints for their product's parts and components. These issues have directly impacted the automotive industry, leading to a significant reduction in the number of available used vehicles and a slowdown in the production of new vehicles, including EVs potentially capable of participating in the V2G Pilot.
- 4. DEC submitted the proposed V2G Pilot in August 2022 based on the best available information at that time, including assumptions about the availability of eligible EVs, the number of eligible program participants, and projections for the development of the bi-directional V2G software. Since the August 2022 filing, DEC has engaged with potential original equipment manufacturer ("OEM") partners and has monitored developments in the ET industry. Through this process, DEC has observed significant deltas between actual and projected numbers of eligible EV deliveries, customer installations of home integration kits, and numbers of customers choosing to lease eligible vehicles versus purchasing them. In addition, the Company continues to track and monitor the development and commercial availability of the software underpinning the EVs V2G capabilities and the Company's implementation of the V2G Pilot.
- 5. Based on its research and observations, DEC believes it is in the public interest to delay implementation of the V2G Pilot until changes to the availability of V2G capable EVs as well as changes in the current economic conditions and customer behavior may allow the Company to design a program that will provide more robust and meaningful

information on the potential benefits of bi-directional V2G technology. DEC will continue to engage with stakeholders and potential OEM partners to identify trends in the ET industry and indications that current economic constraints have eased such that DEC can launch the pilot in an environment that will better facilitate meeting the objectives of a successful ET pilot program, as discussed in the V2G Order. Due to the dynamic nature of the enabling technology and uncertainty around customer adoption trends to support an updated pilot filing, the Company may seek to leverage the Proposed Innovation Prototyping Guidelines filed on October 30, 2023 in Docket Nos. E-2, Sub 1330 and E-7, Sub 1296 to more quickly test V2G technology and capabilities.

6. In order to keep the Commission apprised of developments in the ET industry, DEC also requests authorization to modify the scope of its reporting obligations under the V2G Order to require reporting every six months from the current January 1, 2024 effective date of the V2G Pilot on the status of (a) the development of the required bi-directional V2G software to implement the pilot, (b) the number of customers in DEC's service territory that have installed the required home integration kits, (c) the number of available V2G-capable EVs in DEC's service territory, and (d) changes in supply chain or manufacturing constraints that impact the pilot. DEC commits that if circumstances change such that the Company can launch the pilot sooner than January 1, 2025, then it will file an update with the Commission and a request to launch the pilot at an earlier date.

WHEREFORE, Duke Energy Carolinas, LLC respectfully requests that the Commission (1) issue an order allowing the Company to suspend the launch and implementation of the V2G Pilot until January 1, 2025 so that DEC can monitor developments in the electric transportation industry and determine whether changes in

current economic conditions, customer behavior, and the availability of V2G-capable system software will occur such that DEC can launch the pilot on the new proposed effective date; (2) modify DEC's reporting obligations on the V2G Pilot, as discussed herein; and (3) grant any other such relief that this Commission deems appropriate.

Respectfully submitted this 22nd day of November, 2023.

Jason Higginbotham

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Counsel for Duke Energy Carolinas, LLC

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing, Request by Duke Energy Carolinas, LLC to Suspend Launch and Implementation of Electric Vehicle-To-Grid Pilot Program, in Docket No. E-7, Sub 1275, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid, to parties of record.

This the 22nd day of November, 2023.

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