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October 3, 2022

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston
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
Joint Status Report on Phase II Pilot Programs and Motion for
Authorization to File Additional update
Docket Nos. E-7, Sub 1195 and E-2, Sub 1197**

Dear Ms. Dunston:

Pursuant to the Commission's *Order Allowing Withdrawal of Proposed Customer Operated Electric Vehicle Supply Equipment Pilot Programs and Extending the Time for Developing Remaining Phase II Pilot Proposals* issued July 13, 2022, in the above-referenced dockets, enclosed for filing is Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Joint Status Report on Phase II Pilot Programs and Motion for Authorization to File Additional update.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

Kendrick C. Fentress

Enclosure

cc: Parties of Record

OFFICIAL COPY

Oct 03 2022

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

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

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:

Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for Approval of Proposed Electric Transportation Pilot)	JOINT STATUS REPORT OF DUKE ENERGY CAROLINAS, LLC AND DUKE ENERGY PROGRESS, LLC ON PHASE II PILOT PROGRAMS AND MOTION FOR AUTHORIZATION TO FILE ADDITIONAL UPDATE
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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 July 13, 2022 *Order Allowing Withdrawal of Proposed Customer Operated Electric Vehicle Supply Equipment Pilot Programs and Extending the Time for Developing Remaining Phase II Pilot Proposals* (“Phase II Pilot Status Report Order”), in the above-captioned Docket Nos. E-2, Sub 1197 and E-7, Sub 1195 (“ET Dockets”), and submit this Joint Status Report on the Companies’ Phase II Electric Transportation Pilot (“Phase II Pilot”) programs.

On March 29, 2019, the Companies filed an application in the ET Dockets, pursuant to N.C. Gen. Stat. § 62-140, requesting approval of seven proposed electric transportation pilot (“ET Pilot”) programs. After receiving comments and reply comments and conducting a hearing, the Commission issued an *Order Approving Electric Transportation Pilot Programs, In Part* (“ET Pilot Order”). The ET Pilot Order approved the Companies’ proposed Public Level 2 Fast

Charging pilot, and approved on a modified scale the Companies' proposed Electric Vehicle School Bus, Direct Current Fast Charging, and Multi-Family Dwelling Charging pilots (collectively, "Phase I Pilots"). The ET Pilot Order approved the framework for the modified ET Pilot programs, declined to approve four other pilot programs, and directed Duke and the parties to these dockets to engage in stakeholder collaborative discussions about the structure and implementation of the approved programs. The ET Pilot Order also required Duke to file within six months Duke's proposed Phase II ET Pilot Programs.

On May 24, 2021, the Companies filed an application requesting approval of proposed Phase II Pilot programs, proposing four Phase II Pilots. The Phase II Pilot Programs were designed, after approximately six months of engagement with, and input from, the Electric Transportation Stakeholder group ("ETSG") to comport with the Commission's ET Order and to provide valuable feedback on how best to help North Carolina reach Executive Order No. 80's ("EO 80") goal of 80,000 zero emission vehicles on North Carolina roads by 2025."¹

On February 21, 2022, the Commission issued an *Order Requiring Further Collaboration and Report on Proposed Phase II Pilots* ("Phase II Pilot Order"). This Order directed Duke to continue working with the ETSG and to refine and modify its Phase II Pilots to consider the possibility of receiving direct funding under the Infrastructure Investment and Jobs Act (IIJA), H.R. 3684, 117th Cong. (2021), enacted on November 15, 2021, and/or other available sources of federal funds. In addition, the Commission directed Duke to file a report within 90 days updating the Commission on its progress on these directives.

¹ Executive Order No. 80, North Carolina's Commitment to Address Climate Change and Transition to a Clean Energy Economy, Oct. 29, 2018.

On May 11, 2022, the Companies filed a Joint Motion to Withdraw Customer Operated Electric Vehicle Supply Equipment Pilots from Phase II Pilot Proposals and to Hold Phase II Pilot Dockets in Abeyance. The Commission issued its Phase II Pilot Status Report Order in response.

Consistent with the Phase II Pilot Status Report Order, the Companies withdrew their proposed electric vehicle supply equipment (“EVSE”) Pilots for DEC and DEP respectively. On August 15, 2022, the Companies filed them for approval not as Pilots, but as standalone programs, in the above-captioned dockets. That application remains pending.

The Companies also have approved Managing Charging Pilots for EVs in Docket Nos. E-2, Sub 1291 and E-7, Sub 1266. Those Managed Charging Pilots are intended to increase knowledge of managed charging and to test novel technology, customer acceptance, complex cost of service-based price signals and the integration of managed charging into system resources. One feature of the Managed Charging Pilots is that Duke will partner with automotive original equipment manufacturers, (“OEMs”), to test the Open Vehicle Grid Integration Platform (“OVGIP”). The OVGIP, owned and operated by the OEMs, establishes a two-way utility interface that applies utility industry communication standards and provides interoperability with the OEMs’ vehicle telematics application.

Additionally, DEC filed an application for approval of a vehicle to grid (“V2G”) pilot in Docket No. E-7, Sub 1275. This application remains pending as well.

UPDATE ON ELECTRIC VEHICLE PHASE II PILOTS

For the Commission’s convenience, the Phase II Pilots include the following:

- **Public L2 Phase II Pilot.** Pilot is intended is to develop and maintain publicly accessible L2 EV charging stations to support EV adoption and serve Duke’s customers. Duke shall install, own, and operate a network of L2 stations.
- **Multi-Family Level 2 Phase II Pilot.** Multi-family locations will include apartments, condominiums, and retirement homes.

- **Highway Corridor Fast Charging.** Duke also intends to install 80 to 180 fast chargers for highway corridor fast charging across their service territories.
- **EV School Bus Program.** In Phase II, the Companies propose a deployment of approximately 4-6 buses at 10-15 sites for a total of 60 buses.

Duke continues to work with the ETSG, with an ongoing focus on meeting the needs of underserved communities, to refine and modify its Phase II Pilots. The most recent ETSG meeting was held on September 29, 2022.

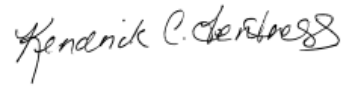
The Duke EV teams also continue to track IJJA-driven funding related to the School Bus and Public Charging Components of its Phase II Pilots. The Companies have also been supportive of development of the Clean Transportation Plan (“CTP”), which will almost certainly integrate IJJA funding and activities to inform the State’s plan to reach 1.25 million EVs on the road by 2030. Furthermore, Duke has continued to support the North Carolina Department of Transportation (“NC DOT”) in forming the North Carolina National Electric Vehicle Infrastructure (“NEVI”) plan. The NC NEVI plan was submitted in August and is pending federal approval. The NC NEVI plan will place Direct Current Fast Chargers (“DCFC”) every 50 miles along designated Alternative Fuel Corridors but will not undertake any sourcing-related stakeholder activities until this winter. Thus, it is expected that the State’s NEVI deployment may surpass the DCFC targets of the Phase II filing, but it remains unclear how Phase II deployments could leverage IJJA funding as a complement to ratepayer dollars. The NC DOT will likely have significant remaining funding for Level 2 charging deployments in disadvantaged communities, including public and multi-unit dwelling use cases as proposed in Phase II. The State’s desired approach to using NEVI and other buckets of discretionary funds, however, which is permitted only after Alternative Fuel Corridors DCFC charging is in place, will not take shape until Spring of 2023. As a result, it is not clear at this time if and how the Companies’ efforts with the Phase II Pilots would be complementary or redundant to the State’s plans.

Duke has also continued support of multiple customers submitting applications to the Environmental Protection Agency (“EPA”) and the North Carolina Department of Environmental Quality (“NC DEQ”) for electric school bus funding to close the funding gap remaining on V2G capable buses after the North Carolina Department of Public Instruction (“NC DPI”) or local school district provides the diesel-equivalent cost and the Companies provide Phase I funding of up to \$215,000 per bus.

Based on the foregoing, the status of both Phase I Pilot deployment and the NC NEVI plan & CTP, which have downstream impacts on other applicable funding sources, more information is still required to coordinate a revised Phase II approach as directed by the Commission. Additionally, on August 16, 2022, President Biden signed into law H.R. 5376 – 117th Congress (2021-2022) or the Inflation Reduction Act of 2022 (“IRA”). The IRA contains tax credits at different levels for both new and used EVs. The Duke EV team has not had the opportunity to review the impact of the IRA on the Phase II Pilots but is working to do so at this time.

WHEREFORE, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully request that the Commission accept the Companies’ Joint Status Report on Phase II Pilot programs. Based on the foregoing, the Companies also respectfully request authorization to file an additional update to the Commission on or before Friday, January 6, 2023 (95 days from October 3, 2022), to allow the Companies additional time to review the impacts of the IIJA and the IRA on the Phase II Pilots.

Respectfully submitted, this the 3rd day of October, 2022.

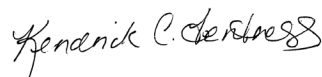


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CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Joint Status Report on the Phase II Electric Transportation Pilot Programs and Motion for Extension of Time, filed in Docket Nos. E-7, Sub 1195 and E-2, Sub 1197, has been served on all parties of record either by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid.

This the 3rd day of October, 2022.



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