

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 658

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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| In the Matter of | | |
| Consideration of Certain Standards for |) | |
| Electric Utilities Relating to Measures to |) | |
| Promote Greater Electrification of the |) | REPLY COMMENTS OF |
| Transportation Sector Pursuant to the |) | THE PUBLIC STAFF |
| Infrastructure Investment and Jobs Act |) | |

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and in response to the Commission’s Order Scheduling Hearing issued November 15, 2022 (Scheduling Order), Order Granting Motion to Amend Order Scheduling Hearings and Cancelling Expert Witness Hearing (Sub 658 Subsequent Order) issued April 12, 2023, and the initial comments filed by the Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC)¹ and ChargePoint, Inc., on May 5, 2023, respectfully submits the following reply comments:

BACKGROUND

1. On November 15, 2022, President Biden signed into law the Infrastructure Investment and Jobs Act, H.R. 3684, 117th Cong. (2021) (IIJA). Section 40431 of the IIJA amended the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. § 2611, et seq., to require that states consider certain

¹ Virginia Electric Power and Light Company does business in North Carolina as Dominion Energy North Carolina and in Virginia as Dominion Energy Virginia (DEV).

ratemaking standards relating to electric vehicles (EV) charging programs. More specifically, each state was directed to “consider measures to promote greater electrification of 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.

2. The Scheduling Order acknowledged a number of programs and pilots intended to promote and incentivize EV adoption and expand charging infrastructure which the Commission has approved for Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC and, together with DEP, Duke Energy) in Docket Nos. E-2, Sub 1197, and E-7, Sub 1195 (ET Pilot Docket). In addition, the Scheduling Order noted that, in the ET Pilot Docket, the Commission: (1) directed Duke Energy and the Public Staff to convene a stakeholder process

to develop further EV pilot programs;² and (2) encouraged Duke Energy to develop marketing strategies and program designs to promote EV adoption in all customer markets and among all customer classes and to continue to work with stakeholders to identify additional ways to support make-ready infrastructure.³

3. The Scheduling Order further acknowledged that the Commission has not implemented standards with respect to promoting electrification of the transportation sector for DENC.

4. In its Initial Comments filed May 5, 2023, DENC highlighted a number of programs and initiatives that are offered in Virginia by DEV. Those programs are:

- a. EV Charge Rewards Program:⁴ a residential demand response program that allows DEV to adjust charging behavior during peak demand periods;
- b. Off-Peak Plan:⁵ a time-of-use rate design that allows all residential customers to have more control over energy bills using a three-tiered rate structure of on-, off-, and super off-peak rates along with a

² See Order Approving Electric Transportation Pilot, In Part, Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for Approval of Proposed Electric Transportation Pilot at 21, Nos. E-2, Sub 1197, and E-7, Sub 1195 (N.C.U.C. Nov. 24, 2020).

³ Duke met its requirement to provide make-ready infrastructure by developing and applying for a Make-Ready Credit Tariff. See Order Approving Make Ready Credit Programs With Conditions, Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for Approval of Proposed Electric Transportation Pilot at 19, Nos. E-2, Sub 1197, and E-7, Sub 1195 (N.C.U.C. Feb. 18, 2022).

⁴ Virginia State Corporation Commission (VSCC) Docket No. PUR-2019-00201.

⁵ VSCC Docket No. PUR-2019-00214.

comparison tool that helps participants understand how they could save money;

- c. Residential Charging Program:⁶ a program that offers Level 2 charges for a monthly fee;
- d. Level 2 Charging Program:⁷ a limited make-ready Level 2 charging station program that DEV will install, own, and maintain for 110 customers;
- e. Fleet Charging Program:⁸ a limited make-ready Level 2 charging program directed toward non-residential customers operating fleets of EVs; and
- f. Electric School Bus Program: a coordinated program with Virginia schools to provide electric school bus supporting infrastructure (grid upgrades and charger equipment) in exchange for DEV to use the buses for vehicle-to-grid support when the buses are not in use for student transportation.

5. DENC also highlights DEV's efforts to increase access to EV transportation in low-income and other communities by providing EV charging infrastructure at no cost to these customers and communities.

⁶ VSCC Docket No. PUR-2021-00151.

⁷ *Id.*

⁸ *Id.*

6. DENC further noted its work to accommodate the additional loads from EVs through managed charging and other programs that can mitigate the increased loads during peak demand periods. DENC stated that it had a dedicated team working with third-party EV charging parties to assist in identifying areas on the grid that are suitable for EV charging stations. Much of this work is being accomplished through DEV's Smart Charging Pilot program that was approved on March 26, 2020, in VSCC Docket No. PUR-2019-00154.

7. Also on May 5, 2023, ChargePoint filed comments in this proceeding, recommending the implementation of rate designs that do not include demand-based charges and providing a number of examples and best practices from other utilities. In addition, ChargePoint recommended that DENC develop make-ready programs consistent in design to those already approved for Duke and DEV.

THE PUBLIC STAFF'S COMMENTS

8. Through informal discovery, DENC informed the Public Staff that, as of June 30, 2022, the Company estimated that there were approximately 325 EVs registered in the DENC service territory. This information is based on state vehicle registration data. In its comments, DENC indicated that this had grown to approximately 400 EVs as of December 31, 2022.

9. The Public Staff has also reviewed several orders and supporting filings contained in the referenced VSCC dockets. It is apparent to the Public Staff that DEV has been developing and implementing EV-related actions and programs that could provide valuable information and cost-effective opportunities to DENC. While many of these are pilot programs that are currently undergoing evaluation,

the Public Staff understands that this work is likely to provide information that could inform similar programs being offered at a future date in North Carolina. For example, because energy efficiency (EE) programs cannot typically be offered cost-effectively in North Carolina alone, DENC's model of EE program deployment has been for DEV to offer a program in Virginia, and when the program reaches a level of cost-effectiveness, the program then is expanded to the DENC territory. The Public Staff believes that this model could also serve the development and deployment of EV-related infrastructure and charging programs in DENC's service territory.

10. The Public Staff also acknowledges there are opportunities for EV-specific rates and programs that could serve direct customers and third-party EV-charging companies. Neither DENC nor Duke Energy currently have EV-specific rate designs available for customers.⁹ However, through a settlement agreement in Docket No. E-2, Sub 1300, DEP agreed to pursue EV rate designs within 90 days after the Commission issues an order approving the settlement.¹⁰ The Public Staff supports a similar proposal for EV-specific rate designs and encourages DENC to pursue the same EV-related programs now available through DEV to the benefit of DENC's customers in North Carolina.

⁹ Both DEC and DEP have a subscription EV Managed Charging Pilot that could be characterized as an EV-specific rate design. See Order Approving Electric Vehicle Managed Charging Pilot Programs, Application for Approval of Proposed Electric Vehicle Managed Charging Pilot, Nos. E-2, Sub 1291, and E-7, Sub 1261 (N.C.U.C. June 24, 2022).

¹⁰ See Section III.3 of the Agreement and Stipulation of Settlement on Performance Incentive Mechanisms, Tracking Metrics and Decoupling Mechanism between Duke Energy Progress, LLC, the Carolina Industrial Group for Fair Utility Rates II, and the Public Staff – North Carolina Utilities Commission, filed on May 1, 2023, in Docket No. E-2, Sub 1300.

11. In conclusion, the Public Staff believes that the 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.

12. Further, the Public Staff believes that the Commission has met the new PURPA requirement to consider measures to promote greater electrification of the transportation sector pursuant to Section 111(d)(21) by issuing the orders discussed herein on Duke Energy's multiple electric transportation pilots and programs. The 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.

Respectfully submitted, this the 5th day of June, 2023.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served on all parties of record or their attorneys, or both, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 5th day of June, 2023.

Electronically submitted
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