# 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, LLC
and Duke Energy Progress, LLC for Approval
of Proposed Electric Transportation Pilots

ORDER REQUIRING FURTHER
COLLABORATION AND REPORT
ON PROPOSED PHASE II
PILOT PROGRAMS

BY THE COMMISSION: On March 29, 2019, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP; collectively, Duke or the Companies), filed an application in the above-captioned dockets pursuant to N.C. Gen. Stat. § 62-140 and various Commission rules requesting approval of seven proposed electric transportation pilot (ET Pilot) programs to obtain additional information about electric transportation (ET) and electric vehicles (EVs), and to support the adoption of EVs in North Carolina.

On November 24, 2020, after receiving comments and reply comments and holding a hearing, the Commission issued an Order Approving Electric Transportation Pilot Programs, In Part (ET Pilot Order). In summary, the ET Pilot Order approved in full Duke's proposed Public Level 2 Fast Charging pilot, and approved on a modified scale Duke's proposed Electric Vehicle School Bus, Direct Current Fast Charging (DCFC), and Multi-Family Dwelling Charging pilots (collectively, Phase I Pilots). In addition, the Commission approved the framework for the modified ET pilot programs, declined to approve the other four pilot programs proposed by Duke, and directed Duke and the parties to engage in stakeholder collaborative discussions about the structure and implementation of the approved programs. The Commission's ET Pilot Order further required Duke to file within six months Duke's proposed Phase II ET Pilot Programs.

On May 24, 2021, Duke filed a Request for Approval of Phase II Electric Transportation Pilot Programs (Phase II Pilots).

On June 14, 2021, the Commission issued an Order requesting comments and reply comments on Duke's Phase II Pilots. Initial comments were filed by the Public Staff, Carolinas Clean Energy Business Alliance (CCEBA), ChargePoint, Inc., North Carolina Sustainable Energy Association (NCSEA), Environmental Defense Fund (EDF), EVgo Services, LLC, (EVgo), Zeco Systems, Inc. d/b/a Greenlots (Greenlots), and jointly by Southern Alliance for Clean Energy, North Carolina Justice Center, and Sierra Club (SACE/NCJC/Sierra).

Reply comments were filed by ChargePoint, CCEBA, SACE/NCJC/Sierra Club, NCSEA, EVgo, Greenlots, and Duke. In addition, the Commission received numerous statements of consumer position, most of which expressed support for the proposed Phase II Pilots.

On February 11, 2022, in Docket Nos. E-7, Sub 1266 and E-2, Sub 1291, Duke filed an application for approval of a residential Electric Vehicle Managed Charging Pilot Program. An Order addressing the application is forthcoming.

On February 18, 2022, the Commission issued an Order in the above-captioned dockets approving Duke's proposed Make Ready Credit Programs.

#### **SUMMARY OF DUKE'S APPLICATION**

Duke stated that the proposed Phase II Pilots were designed after approximately six months of engagement with, and input from, the Electric Transportation Stakeholder Group (ETSG), in response to the directive from the Commission in the ET Pilot Order. Duke further stated that the proposed Phase II Pilots will provide feedback on how best to help North Carolina reach the Executive Order No. 80 (EO 80) goal of 80,000 zero emission vehicles on North Carolina roads by 2025. In addition, Duke stated that the ETSG has met monthly since December 2020 and that Duke intends to continue to engage with the ETSG after approval of the Phase II Pilots to monitor and discuss the programs' performance and effectiveness. In summary, Duke's proposed Phase II Pilots are:

- (1) Customer-Operated EV Supply Equipment (EVSE) Tariff Pilot Duke would install EV chargers and charging infrastructure for Level 2 (L2) and DCFC at locations on DEP's and DEC's distribution system. The chargers and infrastructure would be owned and maintained by Duke but operated by the customer participating in the EVSE Pilot. Customers participating in the Pilot would be subject to a new all-in rate modeled after Duke's existing outdoor lighting program.
- (2) Utility-Operated Public Charging Pilots Duke would own and operate at least 240 Public L2 charging stations that would be installed at key publicly accessible locations in DEC's and DEP's North Carolina service territories, and up to 240 Multi-Family Dwelling L2 stations, with half of the chargers deployed in Tier I and II counties and the other half installed in low- to moderate-income communities.
- (3) Highway Corridor Direct Current Fast Charging Duke would own and operate a network of up to 90 DCFC stations in approximately 45 locations. By agreement with Duke, the operation and maintenance of the stations might be performed by third-party qualified service providers. The charging stations would be dispersed in Tier I and Tier II counties at key highway corridor locations throughout DEC's and DEP's North Carolina service territories.

(4) EV School Bus Program — Duke proposed a concentrated deployment of approximately 4-6 buses at 10-15 sites for a total of 60 buses. Duke stated that the customer would own the EVSB and would operate and maintain all EVSB components for the duration of the pilot, while Duke would retain ownership rights to the EVSB battery and be allowed to repurpose or remove the EVSB battery at the end of its useful life.

#### **DISCUSSION**

The Commission recognizes the work of Duke and the parties in the ETSG in developing the Phase II Pilots and providing comments and reply comments in response to the Commission's order. The requirement in the ET Pilot Order that Duke propose a second round of pilot programs within six months was a challenging timeline, especially given that Duke was also working on implementation of the Phase I Pilots and the unforeseen complications and challenges caused by COVID.

Circumstances have changed significantly since the Commission issued the ET Pilot Order. On October 13, 2021, Governor Cooper signed into law House Bill 951 (S.L. 2021-165 or HB 951), directing the Commission to take all reasonable steps to achieve a 70% reduction in Duke's carbon levels by the year 2030 and carbon neutrality by the year 2050. Pursuant to HB 951, the Commission is required to develop a plan (Carbon Plan), by December 31, 2022, to achieve these emission reductions, and to review the Carbon Plan every two years. On November 19, 2021, the Commission issued an Order in Docket No. E-100, Sub 179 initiating the process of developing a Carbon Plan. The Commission views increased EV usage as one possible piece of the carbon reduction strategy and, thus, potentially an important element of the Carbon Plan.

Another change in circumstances was the enactment of the Infrastructure Investment and Jobs Act (IIJA), H.R. 3684, 117th Cong. (2021), on November 15, 2021. The IIJA, among other things, authorizes the investment of billions of dollars in federal funds in the country's utility infrastructure, including electric transportation infrastructure. In response, the Commission issued an Order on February 1, 2022, in Docket No. M-100, Sub 164, requesting comments on the means by which public utilities of this State can fully utilize the IIJA federal grants and loans in order to promote adequate, reliable, and economical utility service.

Finally, ongoing work between Duke and a range of stakeholders in both the Affordability Collaborative and Comprehensive Rate Design stakeholder process has the potential to inform the development of EV pilot programs and associated rate designs.

## **CONCLUSION**

Based on the above developments and the record herein, the Commission concludes that it is appropriate, at this time, to require Duke to refine and modify its Phase II Pilots in order to take into consideration the IIJA and the possibility of receiving direct funding under the IIJA and/or other recently available sources of federal funds in

conjunction with the programs proposed as Phase II Pilots, and to pursue all such funding that is available. Moreover, the Commission directs Duke to continue working with the ETSG to modify and refine the proposed Phase II Pilots, giving particular attention to continuing to apply the criteria for such pilots stated in the ET Pilot Order as well as data collected and analyzed from the Phase I Pilots and to leverage the use of non-utility customer funding for purposes of the Phase II Pilots. Furthermore, Duke is encouraged to incorporate where appropriate insight and ideas emanating from the Affordability Collaborative and the Comprehensive Rate Design Program.

Finally, the Commission finds good cause to direct that within 90 days of the date of this Order Duke should file a report in these dockets updating the Commission on the status of its progress towards meeting the requirements of this Order.

### IT IS, THEREFORE, ORDERED as follows:

- 1. That Duke shall investigate options for planning, designing, and implementing its Phase II Pilots in ways that take into consideration the possibility of receiving funding under the IIJA and other initiatives including pursuing direct funding for its Phase II Pilots;
- 2. That Duke shall continue working with the ETSG to refine the proposed Phase II Pilots, giving particular attention to continuing to apply the criteria for such pilots stated in the ET Pilot Order, data collected from the Phase I Pilots, and opportunities to leverage available federal or other funding; and
- 3. That within 90 days after the date of this Order Duke shall file a report updating the Commission on the status of its progress towards meeting the requirements of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 21st day of February, 2022.

NORTH CAROLINA UTILITIES COMMISSION

Erica N. Green, Deputy Clerk

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