

**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,)	REPLY COMMENTS OF THE PUBLIC STAFF
and Duke Energy Progress, LLC, for Approval)	
of Proposed Electric Transportation Pilot)	

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and respectfully submits the following reply comments to the June 8, 2021, comments filed by parties in response to the April 30, 2021 Joint Request for Approval of Respective Make Ready Credit Tariff Programs (MRC Request) filed by Duke Energy Progress, LLC (DEP) and Duke Energy Carolinas, LLC (DEC) (together Duke or the Companies), pursuant to the Commission’s May 28, 2021, *Order Requesting Comments* (Comments Order).

I. Procedural History

On March 29, 2019, Duke filed an Application for Approval of Proposed Electric Transportation Pilot in the above-captioned dockets. On November 24, 2020, the Commission issued its *Order Approving Electric Transportation Pilot, In Part* (ET Pilot Order), approving Duke’s proposed Public Level 2 Charging program and limited versions of the Multifamily Dwelling Charging program, the Direct Current Fast Charging (DCFC) program, and the Electric Vehicle (EV) School Bus Charging program. The Commission also required Duke and the Public Staff to convene a collaborative stakeholder process to develop a second phase of the approved programs and any other pilot programs that

met certain essential criteria set out in the ET Pilot Order. One of the seven characteristics the Commission required a pilot program to include was a make-ready approach that should leverage Duke's "familiarity with permitting requirements, the interconnection process, and the design, operation, and maintenance of the distribution system to efficiently identify and develop appropriate preparations for EV infrastructure."¹ The Commission stated that any stakeholder-developed pilot programs must be filed by May 24, 2020.

On April 30, 2021, Duke filed its MRC Request in the above-captioned dockets, not as pilots, but as fully commercial tariff programs. The Commission issued its Comments Order on May 28, 2021. On July 8, 2021, the Public Staff, the North Carolina Sustainable Energy Association (NCSEA), the Carolinas Clean Energy Business Association (CCEBA), the North Carolina Justice Center (NCJC), the Southern Alliance for Clean Energy (SACE), Greenlots, ChargePoint, Inc. (ChargePoint), and FreeWire Technologies, Inc. (FreeWire) all filed initial comments.

II. Initial Comments

In their initial comments, all parties support the approval of the MRC Request in principle, but most parties suggest changes to the programs to encourage more transparency and availability. NCSEA states that, while Duke has provided the calculation for the revenue credit, the Companies have not made the value of the make-ready credit public. NCSEA believes that customers, particularly residential customers, must know the maximum amount of the make-ready credit to enable them to make an informed financial

¹ ET Pilot Order at 21.

decision on whether to participate in the program. NCSEA also asks the Commission to investigate how Duke will approve contractors for the Contractor Credit Option and to oversee the program to ensure Duke is not comingling its regulated programs and its non-regulated programs such as “Find it Duke.” NCSEA lastly states that Duke should broaden the types of chargers Duke would allow to plug into the make-ready infrastructure under the tariff to allow for customers to take advantage of newer, emerging standards.

CCEBA supports the MRC Request as a complement to the competitive EV charging market in order to accelerate third-party investment in EV Service Equipment (EVSE). CCEBA also supports NCSEA’s recommendations and adjusting and evolving the make-ready credit tariff as the programs progress.

The joint comments of NCJC and the SACE state that the MRC Request provides a logical framework for achieving the goals of supporting the development of a competitive market for EV charging services, but recommend additional incentives and tying the make-ready credit to participation in specific rate designs and options for managing charging across residential, workplace, public and fleet chargers. NCJC and SACE believe that the MRC Request has the potential to bring increased private capital and help leverage and expand the availability of the Volkswagen Settlement funds. NCJC and SACE believe that the MRC Request does not create additional risk that Duke will abuse its competitive advantage in this space, but ask the Commission to stay vigilant to ensure that a regulated utility’s entry into the market for EV charging infrastructure does not adversely impact competitive providers of EV charging services. NCJC and SACE express concerns about how the make-ready credit will be implemented, stating that there are no built-in mechanisms for data collection and sharing of lessons learned with

stakeholders. Due to this omission, NCJC and SACE recommend that Duke, with stakeholder input, develop a plan to collect and report data. NCJC and SACE also ask for Duke to provide the credits within one billing cycle of installation; make special efforts to market the make-ready credit tariff to lower-income communities, rural residents, and communities of color; and ensure that the contractor network extends into rural areas. As for the non-residential portion of the MRC Request, NCJC and SACE want Duke to evaluate the proper size of the customer-sited infrastructure so that additional EV chargers could be added at minimal expense as EV penetration increases. They also echo NCSEA's request to remove the uncertainty of the amount of the credit to enable applicants to calculate the credit before applying.

Greenlots comments that the make-ready investments should be an expectation of utility service and that ratepayer financing is appropriate to complement the make-ready credit. Greenlots, however, states that the MRC Request is insufficient and that additional incentives for EVSE and operation are necessary for sustainable market development. Greenlots also believes that utility owned make-ready infrastructure offers broader benefits than customer owned make-ready infrastructure.

ChargePoint agrees that the MRC Request should be approved with minor modifications. ChargePoint believes that any EV charger connected to the make-ready infrastructure should be: (1) ENERGY STAR certified (for Level 2 chargers); (2) certified for safety by the Underwriter's Laboratory (UL) or another Nationally Recognized Testing Laboratory; (3) include smart capabilities that allow connection to a charging network; and (4) able to manage charging capabilities. ChargePoint also states that the MRC Request should be modified to allow site hosts receiving the make-ready infrastructure to

have the ability to establish the prices and pricing policies for EV charging services located on the customer's property.

FreeWire states that many DCFC deployment strategies across the country have focused on make-ready programs to address necessary grid constraints and upgrades needed for traditional fast charging stations but that a hybrid storage/DCFC system could provide opportunities for siting in potentially capacity constrained areas without significant distribution system upgrades. Therefore, FreeWire asks the Commission to include expenses related to stand-alone or integrated battery-storage technologies specifically configured to support EVSE as part of the MRC Request.

III. Public Staff's Comments

The Public Staff agrees with all the intervenors that the MRC Request should be approved with modifications as it will help develop the infrastructure needed to support EV adoption while developing a competitive marketplace for EV charging stations. As stated in its initial comments, the Public Staff generally supports Duke's MRC Request, but believes that additional reporting is necessary to determine the MRC Request's success and further understand the programs' costs and benefits. The Public Staff also stated in its Phase II comments, filed July 29, 2021 in these dockets, that the MRC Request is the best path forward to develop North Carolina's EV charging infrastructure while growing the competitive marketplace. The Public Staff also believes that the other intervenors have raised some good issues that should be included as modifications to the MRC Request before the Commission grants its approval. The Public Staff agrees with NCSEA that any information that will aid in helping potential customers make informed decisions on whether the make-ready credit is right for them should be publicly available.

This information is vital to potential customers in determining if the make-ready credit is appropriate for their use. Knowing the value of the credit would also likely make potential customers more comfortable in applying for the credit and could possibly lead to a more widespread adoption of the tariff.²

NCJC's and SACE's comments align with the Public Staff's in that all believe the MRC Request should include more data collection and reporting requirements. The Public Staff supports NCJC's and SACE's recommendation that Duke be required to develop a data collection plan through the stakeholder group before implementing any of the make-ready programs. The Public Staff also believes that marketing the MRC Request to lower-income and rural areas, as NCJC and SACE suggest, is the best way to evaluate the need for EV infrastructure in those areas, while also allowing counties and municipalities in those areas to further leverage the funding from the Volkswagen Settlement funds.³ The Public Staff also supports NCJC's and SACE's suggestion that Duke should begin providing the credit within the first billing cycle after the infrastructure is installed so that customers taking advantage of the credit are able to see its full benefits immediately.

The Public Staff does not agree with Greenlots that utility owned make-ready infrastructure provide better benefits than customer-owned infrastructure. The MRC Request states that the make-ready credit is based off of the Companies' Line Extension

² The Public Staff also acknowledges that the calculations provided to the Public Staff that were the basis for the make-ready credit itself are based on marginal costs which are typically treated as confidential information. The Public Staff does not object to the maximum credits proposed by the Companies, but would encourage the Companies to devise a way that would provide potential recipients with an understanding of the maximum credit they would receive early in the application process.

³ The Department of Environmental Quality currently plans to award Phase 2 of the Volkswagen Settlement Funds in the spring of 2022. Slide 39, North Carolina Department of Environmental Quality VW Phase 2 Mitigation Plan Stakeholder Meetings Presentation, July 14, 2021.

<https://deg.nc.gov/about/divisions/air-quality/motor-vehicles-and-air-quality/volkswagen-settlement/phase-2-volkswagen>

Plan (LEP) in which the Companies do own the infrastructure. The make-ready infrastructure, however, is on the customer side of the meter, and the Public Staff believes that the meter should be the dividing line of infrastructure ownership.

The Public Staff supports ChargePoint's assertion that Duke should ensure that all chargers plugged into the make-ready infrastructure should be smart chargers capable of connecting to a cloud network to help drivers find chargers, allowing charging to benefit, not hinder, the distribution grid, and collect charging data that will be useful to the driver, customer, and Duke. The Public Staff also believes that the Commission should require Duke to allow commercial customers to set their own rates for charging. This will enable customers to adjust charging rates to their own specific situation and provide data as what rate designs are most attractive to EV drivers in various locations.

FreeWire's suggestion to include stand-alone or integrated battery-storage technologies as part of the make-ready infrastructure for DCFC seems premature. The Public Staff believes Duke should first begin to implement the make-ready credit programs based on its LEP with the infrastructure discussed during the stakeholder process.

IV. Conclusion

The Public Staff asserts that the amendments to the MRC Request discussed in Section III above can be implemented with minimal cost to ratepayers while providing many benefits to customers, EV drivers, and the grid. Therefore, the Public Staff recommends that the Commission approve Duke's MRC Request with the following changes:

- (1) Duke should make as much information as possible public to enable informed customer decisions;
- (2) a data collection plan should be developed by Duke with stakeholder input;
- (3) a special marketing plan should be implemented to reach low-income and rural areas;
- (4) the credit should begin to be provided within the first full billing cycle after the make-ready infrastructure has been installed;
- (5) all chargers connected to the make-ready infrastructure should be capable of connecting to a network to enable the collection of charging data; and
- (6) Customers should have the right to determine EV charging rates at the chargers that the customers install.

Respectfully submitted this the 2nd day of August, 2021.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Dianna W. Downey
Chief Counsel

Electronically submitted
/s/ Robert B. Josey
Staff Attorney

4326 Mail Service Center
Raleigh, North Carolina 27699-4300
Telephone: (919) 733-6110
Email: robert.josey@psncuc.nc.gov

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing Public Staff Reply Comments on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement with the receiving party.

This the 2nd day of August, 2021.

Electronically submitted
/s/ Robert B. Josey
Staff Attorney