



February 13th, 2023

Via Electronic Filing

Ms. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Buildings
Raleigh, NC 27603-5918

**RE: In the Matter of: Application for Approval of Proposed Electric Transportation Pilots
Docket Nos. E-2, Sub 1197 and E-7, Sub 1195**

Dear Ms. Dunston:

Electrify America submits this letter to offer late-filed comments on Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's (together "Duke" or "the Company") Joint Petition for Approval of Electric Vehicle Supply Equipment Programs ("Petition") filed in the above-captioned docket on August 15, 2022. In this comment, Electrify America supports the requests of EVgo and ChargePoint for the North Carolina Utilities Commission (Commission) to require Duke to expeditiously file a demand charge alternative that addresses the barriers that traditional demand charges impose on public direct current fast charging ("DCFC") stations. In addition, Electrify America supports EVgo's request for the Commission to direct Duke to develop a program for make-ready infrastructure that bolsters private market deployment of EV charging stations.¹

Electrify America, the largest open DCFC network in the United States, is investing more than \$2 billion over 10 years in Zero Emission Vehicle infrastructure, education and access. To date, Electrify America has built a coast-to-coast network of public DCFC stations across approximately 800 locations and 3500 individual DC fast chargers in total. Electrify America operates 12 public DCFC stations with 59 DC fast chargers in North Carolina, and is developing four more DCFC stations with 21 DC fast chargers in the state.

Electrify America joins EVgo and ChargePoint in recommending to the Commission that it require the Company to expeditiously submit alternatives to traditional demand-based rates.^{2,3} Both EVgo and ChargePoint contend that "rate design remains a critical component of a holistic EV program and should therefore be addressed in this docket."⁴ Both companies also cite to the

¹ EVgo Reply Comment, p. 1 (Jan. 5, 2023).

² Id.

³ ChargePoint Letter, p. 2 (Jan. 5, 2023) ("ChargePoint Letter").

⁴ ChargePoint Letter, p. 2 *citing* EVgo Initial Comments, p. 11 (Nov. 21, 2022) ("EVgo Comments") (citing IJIA Section 40431, pp. 620-621).



Infrastructure Investment and Jobs Act (IIJA) as a basis for the Commission to consider demand charge alternatives.⁵ Electrify America agrees.

Demand charges pose a critical barrier to the widespread electrification of the transportation sector in North Carolina and across the nation. These charges are assessed on peak energy consumption during a billing period rather than quantity of electricity used, and therefore pose a special economic challenge for high-power, low-utilization uses such as DC fast charging. Research from the Great Plains Institute found that these charges can account for over 90% of electricity costs for DC fast charging, and “lead to operating costs that far exceed the revenue these chargers can receive from customer payments,”⁶ a finding echoed in a 2021 U.S. Department of Energy (“DOE”) report.⁷

This economic challenge can discourage third-party development of EV charging infrastructure investment as public DCFC stations often experience low load factors in the beginning stages of their operation. This is similarly true for public DCFC stations that are in remote areas. This economic challenge could also impact the long-term sustainability of North Carolina’s investments in EV charging infrastructure made through the National Electric Vehicle Infrastructure (“NEVI”) program.

Further, in recognition of the important role that public DCFC stations play in electrification of the transportation sector, the IIJA requires every state utility regulatory body across the country to consider the establishment of measures that promote greater electrification of the transportation sector, including new EV-specific rates (i.e., alternatives to demand charges) that:

1. Promote affordable and equitable EV charging options for residential, commercial, and public EV charging infrastructure;
2. Improve the customer experience and reduce charging times;
3. Accelerate private investment in charging infrastructure; and
4. Appropriately recover the marginal costs of delivering electricity for vehicle charging.

Senator John Hickenlooper, one of the sponsors of this provision, explained succinctly, “Our intention is to ensure that alternatives to traditional, demand-based electricity rates are made available to EV charging station owners with appropriate oversight by State public utility commissions.”⁸

For these reasons, the Commission should take action in this proceeding by requiring the Company to expeditiously submit alternatives to traditional demand-based rates for its

⁵ ChargePoint Letter, p. 2; EVgo Comments, p. 11.

⁶ McFarlane, D., et al, “Overcoming Barriers to Expanding Fast Charging Infrastructure in the Midcontinent Region,” Great Plains Institute, available at https://www.betterenergy.org/wp-content/uploads/2019/08/GPI_DCFC-Analysis.pdf (July 2019).

⁷ U.S. Department of Energy, “An EV Future: Navigating the Transition,” available at https://8b9a2972-f6bd-463f-ab0e-7b2ba71ee2f1.filesusr.com/ugd/1c0235_965967cdf2bf4b94924c05637398fda3.pdf (October 2021).

⁸ Congressional Record, August 5, 2021, S.5926-5927.



consideration. Such action aligns with the IIJA's requirements, helps ensure that North Carolina's investments in EV charging infrastructure made through the NEVI program remains economically sustainable, and is necessary to attract private capital to build public DCFC stations in North Carolina. The Commission should also direct the Company to develop a program for make-ready infrastructure to bolster private market deployment of EV charging stations. These two measures will work together to spur public investment in DCFC stations.

Respectfully submitted,

/s/ Anthony Willingham

Government Affairs & Public Policy Lead—State Government
Electrify America
2003 Edmund Halley Drive
2nd Floor, Suite 200
Reston, VA 20191
Anthony.Willingham@electrifyamerica.com
(571) 786-9934