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July 3, 2019

Ms. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

RE: *In the Matter of: Application by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of Proposed Electric Transportation Pilot NCUC DOCKET NO. E-2, Sub 1197 and E-7, Sub 1195*

Dear Ms. Jarvis:

On behalf of the North Carolina Clean Energy Business Alliance ("NCCEBA"), we hereby submit this revised **NCCEBA's Comments** in the above-referenced docket.

We inadvertently filed duplicate pages 7-8. Please pardon this error and accept this revised corrected version of the Comments of NCCEBA.

If you have any questions or comments regarding this filing, please do not hesitate to call me.

Thank you in advance for your assistance.

Very truly yours,

/s/Karen M. Kemerait

CC: All Parties of Record

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 Pilot

**COMMENTS OF NORTH
CAROLINA CLEAN ENERGY
BUSINESS ALLIANCE**

1. Introduction

Consistent with the North Carolina Utilities Commission's ("Commission") Order filed April 18, 2019, issued in the above-captioned proceedings, the North Carolina Clean Energy Business Association ("NCCEBA") respectfully submits these comments on the proposed transportation electrification pilots ("ET Pilots") in the Application submitted by Duke Energy Progress ("DEP") and Duke Energy Carolinas ("DEC") (the "Companies"). In these comments NCCEBA will address several areas of concern regarding the ET Pilots, as NCCEBA believes that the pilots will have substantial and deleterious impacts to the market for electric vehicle ("EV") charging in North Carolina.

In summary, NCCEBA finds that the Companies' programs would represent a major encroachment of monopoly activity into an active and rapidly growing competitive market. If approved, the ET Pilots would supplant opportunities for competitive players in the charging marketplace, potentially locking out opportunities at high value EV charging sites for years to come. NCCEBA respectfully requests that the Commission deny the Companies' Application and reconsider the appropriate role for monopoly utilities in the EV charging competitive marketplace.

NCCEBA is a non-profit trade association created to promote the common interests of clean energy businesses in North Carolina. It is comprised of and represents all types of businesses in the clean energy sector including developers, manufacturing, engineering, construction, professional and financial services, and non-energy businesses wishing to purchase clean energy.

Importantly, NCCEBA's membership includes companies that are engaged in electric vehicle charging deployment as both a primary business activity in the State of North Carolina and as an area of significant opportunity for clean energy demand. NCCEBA members strongly support the goals in Governor Roy Cooper's Executive Order 80 ("EO 80"), which seeks to lower greenhouse gas emissions and increase zero emission vehicle registrations, and believe that there are several beneficial aspects of increased adoption of transportation electrification technologies. Among those benefits is the fact that EV charging represents a flexible load and a demand side activity that easily can be shifted to align with renewable energy generation. The resulting economic case for EV charging is improved with this alignment, as ratepayers benefit from greater and more efficient utilization of grid assets and optimization of renewable energy demand. NCCEBA members actively and collectively engage in the market and work with the Cooper Administration to achieve these beneficial outcomes of electrification.

2. The Companies mischaracterize the current state of the EV charging market in North Carolina in order to justify taking a substantial role in that market.

The Companies present an incomplete view of the current state of the EV charging market, failing to account for the active competitive market for charging that has grown alongside electric vehicle adoption in North Carolina. There are several EV charging

vendors operating in North Carolina¹, and as more EVs have been adopted, that vendor market has seen greater opportunities, as more businesses, municipalities, fleets, apartment buildings, and workplaces see the benefits of operating charging stations on their properties. Under current market conditions, the charging market will naturally continue to see greater demand for deployments as electric vehicles gain greater penetration. Simply put, with more EVs on the roads, the business case for charging infrastructure continues to improve and deployments increase, as has been evident in the North Carolina market to date.

North Carolina's electric vehicle market is growing rapidly. According to the Alliance of Automobile Manufacturers, there are over 13,000 EVs that have been sold in the state, with sales of EVs more than doubling in the last year.² According to the forecasting the Companies put forward, this growth is set to continue well into the future, with plug-in electric vehicles accounting for 469,000 vehicles registered by 2030 under moderate scenarios.³ The North Carolina EV market's growth has been driven by a number of factors, including the increasing availability of charging infrastructure. According to the U.S. Department of Energy Alternative Fuels Data Center, North Carolina's market has deployed:

¹ According to U.S. Department of Energy, there are currently at least 9 charging network vendors operating in North Carolina: Greenlots, SemaCharge, OpConnect, Tesla, EVgo, EV Connect, Electrify America, ChargePoint, and Blink.

(https://afdc.energy.gov/fuels/electricity_locations.html#/analyze?region=US-NC&fuel=ELEC&ev_connectors=CHADEMO&ev_connectors=J1772COMBO&ev_connectors=J1772&ev_networks=Blink%20Network&ev_networks=ChargePoint%20Network&ev_networks=Electrify%20America&ev_networks=EV%20Connect&ev_networks=eVgo%20Network&ev_networks=GE%20WattStation&ev_networks=Greenlots&ev_networks=OpConnect&ev_networks=SemaCharge%20Network)

² Alliance of Automobile Manufacturers. "Advanced Technology Vehicle Sales Dashboard." (<https://autoalliance.org/energy-environment/advanced-technology-vehicle-sales-dashboard/>). Accessed July 1, 2019.

³ Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Application for Approval of Proposed Electric Transportation Pilot, Docket Nos. E-2, Sub 1197 and E-7, Sub 1195 ("Application"), at Exhibit B, Page 2.

- 145 public DC fast charging ports using a standard connector;
- 961 Public Level 2 charging ports using a standard connector;
- 106 DC fast charging ports in the Tesla charging network;
- 74 Level 2 charging ports in the Tesla charging network; and,
- Additional charging stations that are on private sites for exclusive use (i.e. workplace and fleet charging applications).

The Companies fail to show how the current charging market is unable to meet current market demands for charging infrastructure, or why, in the context of projected exponential growth in EV penetration, utility intervention is necessary.⁴ The Companies own analysis appears to show that market growth will be sustained, even in the absence of a utility investment in charging infrastructure. The projections cited in the Application do not account for direct utility involvement in charging infrastructure, nor do they argue for any particular market outcome, such as utility owned and operated charging infrastructure. In the absence of any utility pilot program, the competitive market for charging will continue to see strong demand to accommodate more EV registrations. Given the ongoing competitive market activities in this space, NCCEBA calls into question the extent to which ratepayer funding should be leveraged to empower the utility as a new, dominant market entrant.

3. The Companies' pilots would position the monopoly utility with a large-scale deployment to compete against the private market and with utility customers.

⁴ *Id.* at Page 3. "North Carolina's current pace of EV infrastructure availability cannot support the current and future pace of EV growth, and as EV adoption increases, more investment in EV charging infrastructure is necessary to sustain market growth. Currently there are just 43 public fast charging stations with 86 access plugs in North Carolina."

The scale of the Companies' proposal would have wide-ranging and long-lasting impacts on the electric vehicle charging market and its participants. Many of the Companies' proposals involve the monopoly utility taking on the unprecedented role of owning and operating charging infrastructure in multiple segments of the market.⁵ Among deployments of utility owned and operated infrastructure, Level 2 deployments would occupy 25% of all deployments in North Carolina. And, if approved, the Companies would hold a 50% market share of all public DC fast charger installations. Additionally, with a large, near-term deployment, the monopoly would have access to the highest value sites for private sector deployments, stifling competition.

Such an expansive market entry would present new, disruptive dynamics for charging infrastructure providers. As the Company may procure all stations and network services from a single vendor under these programs, the ET Pilots would put the Companies in the position of choosing "winners and losers" in a competitive market, increasing market opportunities for some, and limiting market opportunities for others.

The Companies propose to install, own, and operate charging infrastructure in public, multifamily dwelling, and DC fast charging segments. Importantly, these segments are all currently served by competitive market participants who have active operations in North Carolina. If the ET Pilots are approved, the Companies would be effectively competing against private sector deployments of charging, as well as those utility customers who operate charging on their sites. The resulting market disruption would also hinder private investment in charging infrastructure. Rather than purchase EV charging equipment from competitive providers, customers might wait for free stations from the

⁵ Id. at Pages 9-13.

utility or have less desire to compete against utility stations, which can slow down private investment in charging infrastructure overall.

In the current competitive market environment, charging providers generally a) approach customers in those segments to sell charging equipment and services, or b) seek to own and operate charging infrastructure on a customer's site via a lease agreement or easement. In either model the private sector takes on risk and invests in these technologies in ways that make sense for a particular business case. If the monopoly is empowered to leverage ratepayer funding to conduct these same activities, there would be a fundamental and detrimental impact to the existing market, as the monopoly would be operating in the same space without the risks or business considerations associated with this investment.

If the Companies do operate public charging infrastructure, these deployments would have the additional impact of enabling the utility to compete with their own customers in offering public charging services. Under current market conditions, utility customers operate charging equipment on their sites to attract drivers, setting prices to improve utilization. The ET Pilots would empower the Companies to set or interact with market pricing at utility customer's stations, potentially undermining use of charging assets at private sector sites.

4. Conclusion

NCCEBA thanks the Commission for the opportunity to provide comment in these proceedings. The Commission's decision in this case will set the foundation of this emerging market, and great weight should be given to the adverse impacts that the Companies' proposal could have on the prevailing conditions of the EV charging market, which have already contributed to substantial electric vehicle adoption in North Carolina.

The Commission should reject the Companies' proposal to own and operate charging infrastructure to ensure that competitive market dynamics stay intact. Going forward, NCCEBA believes that a broader investigation of the role of the Companies in this competitive space is merited, and should the Commission undertake such an investigation, NCCEBA would seek to participate.

Respectfully submitted this 3rd day July, 2019.

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CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing COMMENTS OF NORTH CAROLINA CLEAN ENERGY BUSINESS ALLIANCE has been duly served upon counsel of record for all parties to this docket by either depositing a true and exact copy of same in a depository of the United States Postal Service, first-class postage prepaid, and/or by electronic delivery as follows:

This 3rd day of July, 2019.



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