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July 5, 2019

**Via Electronic Mail**

Ms. Martha Lynn Jarvis  
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 Pilot  
**Docket Nos. E-2, Sub 1197 and E-7, Sub 1195**

Dear Ms. Jarvis:

Enclosed for filing in the referenced docket are the Initial Comments of ChargePoint, Inc.

By copy of this letter, I am serving all parties of record on the service list. Please let me know if you have any questions about this filing.

This the 5<sup>th</sup> day of July, 2019.

s/Joseph W. Eason  
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JWE/nw  
cc: Parties of Record

STATE OF NORTH CAROLINA  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1197  
DOCKET NO. E-7, SUB 1195

In the Matter of Application by Duke Energy )  
Carolinas, LLC and Duke Energy Progress, LLC ) **INITIAL COMMENTS OF**  
For Approval of Proposed Electric Transportation ) **CHARGEPOINT, INC.**  
Pilot )

ChargePoint, Inc. (“ChargePoint”), by and through its undersigned counsel and consistent with the April 4, 2019, and April 18, 2019 Orders of the North Carolina Utilities Commission (“Commission”) in the above-captioned proceedings, thanks the Commission for the opportunity to provide these initial comments regarding the proposed transportation electrification pilots (“ET Pilots”) submitted by Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together, the “Companies”) on March 29, 2019.<sup>1</sup>

**BACKGROUND**

The Companies’ ET Pilots come before the Commission at a point of significant growth in the electric vehicle (“EV”) market in North Carolina and nationally. In reviewing utility initiatives in the EV space, state utility commissions across the country are considering how best to prepare for and leverage the benefits of greater electrification of the transportation sector.

ChargePoint is the leading electric vehicle charging network in the world, with charging solutions for every charging need and for all of the places that EV drivers go: at home, work, around town, and on the road. With more than 67,000 independently owned charging spots, including over 600 public stations in North Carolina, ChargePoint has thousands of customers –

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<sup>1</sup> See Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Application for Approval of Proposed Electric Transportation Pilot in Docket Nos. E-2, Sub 1197 and E-7, Sub 1195 (Mar. 29, 2019) (the “Application”).

including workplaces, cities, retailers, apartments, hospitals, and fleets. A map of ChargePoint's publicly available charging locations in the State of North Carolina is featured below in Figure 1, which include the University of North Carolina Chapel Hill, Whole Foods, the City of Winston-Salem, Jaguar Land Rover, and Charlotte Douglas International Airport.

*Figure 1: ChargePoint public charging spots in North Carolina.*



ChargePoint is the only charging technology company on the market that designs, develops, and manufactures hardware and software solutions across every EV market segment. Hardware offerings include Level 2 (“L2”) and DC fast charging products, and ChargePoint provides a range of options across those charging levels for specific use cases, including light duty and bus fleet, multi-unit dwellings, home, destination workplace, and more. ChargePoint’s software and cloud capabilities enable site hosts to control the charging services onsite and provide easy use for EV drivers, including features like waitlists, access controls, charging analytics, and real-time availability. Leading EV charging hardware providers, automakers, and other partners rely on the ChargePoint network to make charging station details available in mobile apps, online, and in navigation systems for popular EVs. ChargePoint drivers have completed more than 57 million charging sessions, saving upwards of 62 million gallons of fuel, and driving more than 1.5 billion electric miles.

ChargePoint's primary business model consists of selling its smart, networked charging station equipment directly to site hosts, with site hosts owning and operating the charging stations on their properties. For a subscription, ChargePoint provides charging network services, or data-driven and cloud-enabled capabilities that enable site hosts to better manage their charging assets and optimize services. For example, with those network capabilities, site hosts can view data on charging station utilization, frequency and duration of charging sessions, set access controls to the stations, and set pricing for charging services. These features are designed to maximize utilization and align the EV driver experience with the specific use case associated with the specific site host. Additionally, ChargePoint has designed its network to allow other parties, such as electric utilities, the ability to access charging data and conduct load management to enable efficient EV load integration onto the electric grid.

### COMMENTS

ChargePoint offers these comments in opposition to certain attributes of the programs described in the Companies' Application. While ChargePoint supports utility investment in EV charging infrastructure and agrees with the underlying intent of the ET Pilots, ChargePoint believes that several elements of the proposals would delay the development of a long-term, sustainable, and competitive market for EV charging in North Carolina.

First, ChargePoint summarizes the Companies' proposed ET Pilot programs. Second, in support of its position, ChargePoint details best practices for regulated utility investment in electric vehicle charging infrastructure. Third, ChargePoint demonstrates how certain elements of the Companies' proposed programs do not align with best market practices, and shows how specific features of the Companies' proposed ET Pilots will actually *undermine* the competitive market for EV charging in North Carolina, increase costs and risks to ratepayers, and restrict choices for customers. Last, ChargePoint will recommend amendments to the ET Pilots that will better

facilitate the deployment of EV charging infrastructure in North Carolina, and crucially, will more efficiently and effectively enable North Carolina to meet the goals of Executive Order No. 80, in which Governor Cooper directed that the State of North Carolina “strive to accomplish” increasing the number of registered, zero-emission vehicles to at least 80,000 by 2025.

### **I. The Companies’ Proposals For Transportation Electrification Equipment**

The Companies proposed three-year pilots for electric transportation (the “ET Pilots”) contain programs designed for (1) charging management, (2) transit electrification, and (3) public charging expansion. There are a total of seven offerings within these program categories, which are summarized below:

1. Residential EV Charging Program: The Companies propose to provide a rebate of \$1,000 to support installation of smart, networked L2 charging stations for up to 500 DEC and 300 DEP residential customers, respectively.<sup>2</sup>
2. Fleet EV Transit Program: The Companies propose to provide a \$2,500 incentive to commercial and industrial customers that operate fleet vehicles. DEC will offer no more than 500 total EV charger rebates, and DEP will offer no more than 400 total EV charger rebates. The Companies require charging customers to install EV charging behind separate meters and to take electric service on an available commercial Time of Use (“TOU”) rate.<sup>3</sup>
3. EV School Bus Charging Station Program: The Companies propose to provide rebates to offset the cost of purchasing electric school buses with Vehicle-to-Grid (“V2G”) capabilities for ongoing testing during the ET Pilot. The rebates are offered on a first-come, first-served basis at up to \$215,000 per incentive. Under this program, DEC proposes to offer

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<sup>2</sup> See Application at 9-10.

<sup>3</sup> See *id.* at 10.

approximately 55 rebates, and DEP proposes to offer approximately 30 rebates. The Companies will install, own, and operate associated charging equipment under this School Bus offering.<sup>4</sup>

4. EV Transit Bus Charging Station Program: The Companies propose to install and own smart, networked charging equipment associated with electric transit buses operated by a transit agency. Under this program, DEC proposes to install 60 stations, and DEP proposes to install 45 stations.<sup>5</sup>
5. Multi-family Dwelling Charging Station Program: The Companies propose to install, own, and operate L2 EV charging stations at multi-unit dwellings. The Companies will collect a charging fee based on the marginal energy component of the applicable Company's currently approved Small General Service schedule, plus \$0.02/kWh to cover the costs of the network. DEC and DEP propose to deploy 100 and 60 stations under this offering, respectively.<sup>6</sup>
6. Public L2 Charging Station Program: The Companies propose to install, own, and operate L2 EV charging stations at public destinations. The Companies will collect a charging fee based on the marginal energy component of the applicable Company's currently approved Small General Service schedule, plus \$0.02/kWh to cover the costs of the network. DEC and DEP propose to deploy 100 and 60 stations under this offering, respectively.<sup>7</sup>
7. Fast Charging Program: DEC intends to install, own, and operate a network of up to 70 fast chargers across approximately 35 individual locations in its service territory, and DEP

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<sup>4</sup> See *id.* at 11-12.

<sup>5</sup> See *id.* at 12-13.

<sup>6</sup> See *id.* at 13-14.

<sup>7</sup> See *id.* at 14.

intends to install, own, and operate a network of up to 50 fast chargers across approximately 25 individual locations in its service territory. The Companies will offer fast charging services in exchange for a Fast Charge Fee consistent with the statewide average for fast charging offered by those stations that charge a fee to the driver, adjusted quarterly.<sup>8</sup>

## **II. Best Practices and Support For Utility Investment in EV Charging Infrastructure**

Nationally, utilities in many jurisdictions have supported the adoption of electric vehicles through programs that enable the build-out of networked charging infrastructure across a range of use cases. Those programs can significantly lower barriers to EV charging infrastructure deployment and accelerate EV charging markets overall. Most importantly, utility investment in EV charging infrastructure can be structured to offer wider choices for customers while catalyzing and fostering a long-term, scalable, and competitive market for EV charging equipment and networks. To that end, ChargePoint strongly supports utility investment in EV charging infrastructure that seeks to employ these best practices to achieve those outcomes.

At a high level, there are three primary models for utility investment in EV charging infrastructure:

1. **Ownership:** A utility procures, deploys, owns, and maintains charging infrastructure in its jurisdiction, typically on the property of commercial customers.
2. **Make-Ready:** A utility directs investments toward the *installation* of charging hardware, and more specifically, installing and maintaining the supporting electrical infrastructure on the distribution side as well as the customer side of the meter up to the connection point for

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<sup>8</sup> See *id.* at 14-16.

the charging station equipment. In covering this work, a utility prepares a site for installation of the charging station itself, which is purchased and operated by the site host.

3. **Rebate-based:** A utility provides rebate incentives to site hosts, which are used toward the purchase and/or installation of qualifying EV charging stations onsite. Qualification standards for charging stations can be determined to ensure capabilities that will enable grid benefits.

The right model for utility investment in EV charging markets can take many forms, and no single solution is appropriate for every jurisdiction and use case. Moreover, each segment of the charging market – fleets, multi-unit dwellings, retail establishments, workplaces, municipalities, and corridors – has a different set of circumstances to consider when deciding upon the most effective investment strategy. ChargePoint supports all three utility investment models for supporting EV charging and maintains that a suite of offerings may most adequately address the needs of different site hosts and uses cases. State utility commissions should ensure that programs leverage the strengths of each model, provide for program flexibility, and align investments with the most appropriate use case.

ChargePoint’s experience as the leading provider of EV charging infrastructure in the United States has informed its recommendations regarding regulated utility investments in EV charging infrastructure. As a result, ChargePoint has developed best practices to support successful implementation of utility programs that align the goals of the utility, competitive market participants, and most importantly – ChargePoint’s end customers. Working with utilities across the country, ChargePoint has strongly supported and recommended approval of programs that promote the following best practices related to deploying EV charging infrastructure. Accordingly, to the maximum extent possible, utility programs should incorporate:

- a. *A core outcome to foster and support the existing competitive market for EV charging infrastructure.*
- b. *Ongoing support for a diversity of competitive market offerings, allowing site hosts to continue to have a choice in charging solutions from multiple, qualified vendors of equipment and charging networks.*
- c. *Site host operational control of EV charging infrastructure located on their properties, including pricing and access control, to align charging offerings with their circumstances, preferences, and desired driver experience.*
- d. *Stimulate and leverage private investment in EV charging infrastructure to ensure site hosts have “skin-in-the-game”, lowering risks to ratepayer funds and ensuring that certain site hosts are invested in the success of deployments.*
- e. *A requirement for all deployments to be smart, networked charging infrastructure, to maximize flexibility and control, and to deliver grid benefits.*

From these elements, it is apparent that the most critical topics for the Commission to consider relate to (1) the variety of technology choices available to the market, (2) the degree to which site hosts can make choices about how to operate the charging stations, and (3) the impact of spurring private investment alongside the deployment of ratepayer funds. In the current EV charging market, there are charging hardware providers and national network providers – similar to providers of mobile phone devices and cellular network services – and site hosts choose from both hardware and network providers to get the suite of smart features to fit their needs and circumstances. A charging network is a cloud-based platform that connects to charging hardware, collects data on charging sessions, and enables advanced features and controls to manage charging stations. Just like a customer chooses the smart phone that they want *and* chooses the carrier that they want, the choice of both EV charging hardware and network makes for a cohesive customer experience. Notably, in the EV charging market, charging networks provide a vast array of smart features and functions that differ from network to network, making the choice of network provider arguably more consequential to an EV charging customer than their choice of hardware.

ChargePoint believes that the best practices summarized above are critical features of cohesive, complementary utility programs for EV charging infrastructure. Importantly, these principles have already been incorporated into many utility programs across the country, including approved programs in California<sup>9</sup>, Nevada<sup>10</sup>, Utah<sup>11</sup>, Ohio<sup>12</sup>, Massachusetts<sup>13</sup>, New York<sup>14</sup>, Rhode

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<sup>9</sup> See California Public Utilities Commission. Application 17-01-020. “Transportation Electrification Proposals Pursuant to SB 350.” 2018. (available at <http://www.cpuc.ca.gov/sb350te/>).

<sup>10</sup> See Public Utilities Commission of Nevada. Docket No. 18-02002. “Joint Application of Nevada Power Company d/b/a NV Energy [...] Electric Vehicle Infrastructure Demonstration Program for Program Year 2018-2019.” June 27, 2018. (available at [http://pucweb1.state.nv.us/PDF/AxImages/DOCKETS\\_2015\\_THRU\\_PRESENT/2018-2/31126.pdf](http://pucweb1.state.nv.us/PDF/AxImages/DOCKETS_2015_THRU_PRESENT/2018-2/31126.pdf)).

<sup>11</sup> See Public Service Commission of Utah. Docket No. 16-035-36. “In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Act.” June 28, 2017. (available at <https://pscdocs.utah.gov/electric/16docs/1603536/2949541603536ptrao6-28-2017.pdf>).

<sup>12</sup> See Public Utilities Commission of Ohio. Docket No. 16-1852-EL-SSO. “In The Matter of the Application of the Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143.” April 25, 2018. (available at <http://dis.puc.state.oh.us/DocumentRecord.aspx?DocID=1a7d9c25-92bc-42e4-896d-c888c1a015ac>).

<sup>13</sup> See Massachusetts Department of Public Utilities. Docket 17-05. “Order Establishing Eversource’s Revenue Requirement.” November 30, 2017. (available at <https://eeaonline.eea.state.ma.us/EEA/FileService/V1.4.0/FileService.Api/file/FileRoom/dehehcji>).

<sup>14</sup> See New York Public Service Commission. Matter No. 17-00887. “Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric Service.” (available at <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=17-E-0238>).

Island<sup>15</sup>, Maryland<sup>16</sup>, Michigan<sup>17</sup>, Pennsylvania<sup>18</sup>, and in programs proposed in Washington<sup>19</sup>, Oregon<sup>20</sup> and Missouri.<sup>21</sup> ChargePoint submits that regardless of the model, all three of the primary utility investment models for EV charging infrastructure can and should accommodate program designs to maintain a site host's choice and control of charging assets to support the current competitive market for EV charging. Together, these factors work to enhance the effectiveness of utility programs in electric transportation and amplify the impact of ratepayer funding.

### **III. As Proposed, The Companies' ET Pilot Programs Negatively Impact Existing Competitive Markets, Restrict Customer Choices, and Slow Private Investment**

As noted previously, ChargePoint strongly encourages utility investment in charging infrastructure and electrification programs and agrees with the Companies' intent to accelerate deployment and adoption across multiple segments. However, ChargePoint finds that several

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<sup>15</sup> See Rhode Island Public Utilities Commission. Docket No. 4770. "The Narragansett Electric Co. d/b/a National Grid - Application for Approval of a Change in Electric and Gas Base Distribution Rates." (available at <http://www.ripuc.org/eventsactions/docket/4770page.html>).

<sup>16</sup> See Maryland Public Service Commission. Case No. 9478. "In the Matter of the Petition of the Electric Vehicle Workgroup for Implementation of a Statewide Electric Vehicle Portfolio." (available at <https://www.psc.state.md.us/search-results/?keyword=9478&x.x=16&x.y=13&search=all&search=case>).

<sup>17</sup> See Michigan Public Service Commission. Case No. U-20134. "In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief." (available at <https://mi-psc.force.com/s/case/500t0000009fPPSAA2/in-the-matter-of-the-application-of-consumers-energy-company-for-authority-to-increase-its-rates-for-the-generation-and-distribution-of-electricity-and-for-other-relief>).

<sup>18</sup> See Pennsylvania Public Utilities Commission. Docket Number R-2018-3000124. "Pa. PUC v. Duquesne Light Company." (available at <http://www.puc.pa.gov/pdocs/1586084.pdf>).

<sup>19</sup> See Washington Utilities and Transportation Commission. Docket No. UE-180877. Tariff Revision – Puget Sound Energy. (available at <https://www.utc.wa.gov/docs/Pages/DocketLookup.aspx?FilingID=180877>).

<sup>20</sup> See Oregon Public Utility Commission. Docket No. UM 1811. "PGE Transportation Electrification Program Applications." (available at <https://apps.puc.state.or.us/edockets/docket.asp?DocketID=20573>).

<sup>21</sup> See Missouri Public Service Commission. Case No. ET-2018-0132. "In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program. (available at [https://www.efis.psc.mo.gov/mpsc/commoncomponents/view\\_itemno\\_details.asp?caseno=ET-2018-0132&attach\\_id=2018012294](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=ET-2018-0132&attach_id=2018012294)).

aspects of the Companies' proposed ET Pilots would have an adverse impact on North Carolina's existing competitive EV charging market and are misaligned with best practices of utility investment in EV charging infrastructure. Notably, none of the Companies' proposed offerings explicitly provide the participating customer a choice among EV charging networks.<sup>22</sup> Furthermore, none of the Companies' proposed offerings enable participating customers to operate EV charging stations located on their own properties. These choice and control elements are options that customers in the North Carolina EV charging market currently have but would lose if the ET Pilots are approved by the Commission without amendments.

While ChargePoint agrees with the Companies that projections show that more EV charging infrastructure buildout is needed, and that certain segments would benefit from additional investment or incentives, ChargePoint believes that this does not require the utility to bypass the existing market and local site hosts in order to require that the utility own and operate such assets, thus limiting choices for consumers. In fact, ChargePoint strongly believes that maintaining competitive market forces and empowering local site hosts throughout the program will more effectively facilitate the expansion of EV charging infrastructure in North Carolina.

Accordingly, as part of a limited pilot effort, the Companies, which are each a regulated, monopolistic utility, should not be foundationally positioned to occupy a direct and substantial place in the now-developing EV charging market. Unnecessarily expansive pilots may effectively predetermine long-term market outcomes, capture prime locations for charging infrastructure, and slow the broader entrance of potential or actual competitive market participants. This dynamic is most obvious under the Companies' proposed Fast Charging Program, where the Companies' proposal would likely effectively predetermine North Carolina's dominant EV charging network

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<sup>22</sup> While the Fleet EV Transit program does offer customer choice of hardware and networks, it does not specify networked charging as a requirement of the program.

vendor for the foreseeable future at an early stage in the competitive market's growth. In offering a single market solution, installed on site hosts' properties at no cost, the Companies' proposal would chill private investment for several years, rather than stimulate broader market participation.

As described further below, the Companies' proposed ET Pilot would effectively create a single dominant company-operated EV charging network throughout the state of North Carolina with inflexible pricing policies that are either out sync with competitive market pricing or artificially adjusted to meet such competitive market pricing. Moreover, as described in Section IV, ChargePoint believes that the Companies could (and should) amend these offerings to include participating site host choice of charging networks and enable site host control of charging assets onsite, and in so doing, enhance the Companies' stated goals and outcomes. Making these amendments would not diminish the benefits associated with transportation electrification investment and would accelerate the expansion of the competitive market for charging infrastructure.

Next, ChargePoint identifies the specific ways in which the ET Pilot programs align, or do not align, with best market practices for utility investments in EV charging infrastructure:

- a. A core outcome to foster and support the existing competitive market for EV charging infrastructure.*

The market for EV charging is inherently competitive and active in every state, with diverse, evolving business models and direct sales of equipment or related products or services to site hosts. One of the ET Pilots' stated goals is to stimulate competitive market activities. However, if the ET Pilots are implemented as proposed by the Companies, the ET Pilots would actually negatively impact the currently developing competitive market for EV charging in North Carolina. Specifically, if the Companies are permitted to operate EV charging in a monopolistic fashion alongside a competitive market, it would potentially push away potential or actual

competitors in the market, as DEC and DEP likely would approach the industry’s primary potential customers and prime locations to offer free products, cutting off sales opportunities for competitors not selected for the pilot. This impact would be most apparent in the Fast Charging, Public L2, and Multi-family offerings, where the Companies propose to install, own, and operate EV charging infrastructure in areas currently served by active competitive market participants. Significantly, in assessing a near identical ET Pilot proposal by the Companies in South Carolina, the South Carolina Office of Regulatory Staff (“ORS”) commented that the Companies’ proposed number of Fast Charging stations “may discourage cost-effective investment by the private sector.”<sup>23</sup>

The Companies also fail to show how utility operation would be more successful than an alternative model for any given segment embodied within the ET Pilots. In fact, in an April 17, 2019, filing submitted before the Florida Public Service Commission, where Duke Energy Florida (“DEF”) pursued a similar program for utility operation of EV charging stations at multi-family sites, DEF “found it challenging to meet the minimum number of [EV charging stations]” approved for that segment.<sup>24</sup> DEF subsequently revised the proposed number of EV charging stations at multi-family sites downward after receiving only seven applications for a program initially designed to deploy 325 charging ports.<sup>25</sup> DEF’s experience with respect to multi-family sites in Florida thus highlights the limits on effective penetration of this potential market by mandating utility operation of EV charging infrastructure with only one EV charging network offering.

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<sup>23</sup> See Comments of the South Carolina Office of Regulatory Staff, at 10. Docket No. 2018-321-E and 2018-322-E (May 20, 2019) (“ORS Comments”) (available at <https://dms.psc.sc.gov/Attachments/Matter/b79a6140-a911-4953-a026-3d922df00edc>).

<sup>24</sup> See Duke Energy Florida’s Motion to Approve Re-Allocation of Electric Vehicle Charging Station Pilot Segments, at 1, Docket No. 20170183-EI (Apr. 19, 2019) (“DEF Motion”) (available at <http://www.psc.state.fl.us/library/filings/2019/03761-2019/03761-2019.pdf>).

<sup>25</sup> See DEF Motion at Attachment A.

- b. *Ongoing support for a diversity of competitive market offerings, allowing site hosts to continue to have a choice in charging solutions from multiple, qualified vendors of equipment and networks.*

In successful utility programs, site hosts maintain the choice that they currently have among charging equipment *and* EV charging network providers, which enables them to choose the solution that best fits their specific needs associated with their property and use case. Smart EV charging is not just a hardware solution, as different EV charging networks provide a variety of features and functionalities from which customers can choose. None of the Companies' offerings allow customers to choose among available networks for charging stations, an important choice that directly affects the subsequent hardware and features available to customers. Without customers' ability to choose from the full range of solutions that best fit their circumstances and needs that are available in a competitive market, the Companies will promote a single network provider over others currently active in the market while failing to properly accommodate for the diverse needs and desires of their own customers. Conversely, accommodating multiple network choices would increase program participation, provide a more dynamic EV charging marketplace, and can be easily implemented (as it has been in other successful utility programs<sup>26</sup>).

- c. *Site host operational control of EV charging infrastructure located on their properties, including pricing and access control, to align charging offerings with their circumstances, preferences, and desired driver experience.*

Site hosts invest in EV charging stations to attract EV drivers to their sites, and through controls over access and pricing, hosts can optimize charging station utilization and enhance the EV driver experience. This element is seemingly taken into account in the Companies' Transit Bus program, where a site host would operate utility-owned stations. However, under the Companies' Fast Charging, Public L2, and Multi-family offerings, utility-operated EV charging stations would

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<sup>26</sup> See e.g., *supra*, notes 9-18.

offer regulated tariff pricing to drivers, either under current schedules with an adder or under a “competitive pricing” average price. In contrast to the existing competitive market offerings, site hosts would have no role in managing EV charging equipment on their sites. As a result, the proposed rates to drivers under the Public L2 and Multi-family offerings may: (a) be unattainable when compared with pricing to drivers set by competitive market providers and non-participating site hosts; (b) inhibit optimal utilization of existing and new charging stations; and (c) severely limit pricing flexibility and models across various use cases by establishing the “regulated pricing” model. Additionally, the proposed DC fast charging rates to drivers would be set artificially in an attempt to “fix” a competitive rate that, under best practices, market forces affecting site hosts at other locations would establish. The Companies provide no explanation as to why they would prefer to have regulators fix a price as an average of all other rates, or why that fixed rate should be preferred over the rates that could be set competitively by various site hosts participating in a well-designed program. Notably, in South Carolina, ORS also recognized how regulated pricing to drivers would be problematic and have negative market impacts.<sup>27</sup>

Moreover, the Commission should scrutinize carefully the Companies’ argument stating that “[w]ithout owning the charger, a utility cannot ensure that customer-funded chargers remain well-maintained and useful for the long term,”<sup>28</sup> This is because ensuring that EV charging infrastructure is well maintained can be, and often is, a feature of a site host’s agreement for installing and/or operating EV charging infrastructure associated with utility investments, in which the site host, not the utility, can easily be held responsible for the maintenance of the EV charging infrastructure on its site throughout the term of the investment.

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<sup>27</sup> See ORS Comments at 10.

<sup>28</sup> See Application at 15.

- d. *Stimulate and leverage private investment in EV charging infrastructure to ensure site hosts have “skin-in-the-game”, lowering risks to ratepayer funds and ensuring that certain site hosts are invested in the success of deployments.*

To the greatest extent possible, utility investment in EV charging infrastructure should align with and attract private investment and promote minimum maintenance and operation standards by developing programs that require site hosts, rather than the Companies, to be materially and financially invested in the success of station deployments. Two of the Companies’ proposed seven programs, the Residential EV Charging and Fleet EV Transit rebate programs, do not propose to cover all costs of the affected electric vehicles and associated charging infrastructure, but rather appropriately intend to only lower cost barriers for installing and/or operating these technologies. However, the remaining five offerings in the ET Pilots do not require any private investment in EV charging infrastructure for placing a charging station at a site. ChargePoint believes that requiring private investment in EV charging infrastructure in conjunction with utility investment will motivate site hosts to invest in EV charging infrastructure and optimize ratepayer funding to expand the ET Pilots overall by expanding competitive offerings in a less-regulated market.

- e. *A requirement for all deployments to be smart, networked charging infrastructure, to maximize flexibility and control, and to deliver grid benefits.*

Utility programs recognize and maximize the benefits associated with electrification by requiring the use of networked charging technologies in charging infrastructure programs. The Companies’ proposals do satisfy this best market practice.<sup>29</sup> The proposals involve the deployment of smart, networked charging infrastructure exclusively, and contain several provisions for leveraging the data from smart charging that only networked equipment can capture. Those

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<sup>29</sup> As noted, the Fleet EV Transit offering does not mandate the use of networked charging infrastructure, but does presumably allow for it. *See supra*, note 22.

provisions include the utility-managed charging planned for Residential EV Charging and EV Transit Bus Charging Station programs, as well as V2G technologies envisioned for the EV School Bus Program. Data derived from ratepayer-incented smart charging infrastructure will be used to inform grid management, and advanced capabilities will be tested to assess and capture system-wide grid benefits shown by data to exist.

#### **IV. Recommended Amendments to the ET Pilots**

ChargePoint recommends that the Commission address the below elements of the Companies' proposed ET Pilots, and thereby ensure that the competitive markets for EV charging equipment and services – which are currently “located on company-owned or third-party owned property, including, but not limited to, truck stops, gas stations, restaurants, and other retail establishments”<sup>30</sup> – be fostered and supported in North Carolina, and not traded-in for a market dominating, rate-regulated solution determined by the Companies. In summary, ChargePoint respectfully advances the following suggested amendments to the ET Pilots:

1. Enable eligibility of multiple EV charging networks, in addition to multiple EV charging equipment vendors, with qualified vendors selected by participants in all offerings, to reinforce competitive markets and provide a wider range of customer and end-user choices; and
2. Enable site hosts under all offerings to operate charging stations on their sites, and to determine pricing to drivers, to ensure competition in the EV charging marketplace and allow for optimized utilization of stations and the driver experience.

In addressing customer choice and expanding eligibility to multiple networks, the Commission should open programs to broader participation by current providers of equipment or

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<sup>30</sup> See Application at 16.

network services. With greater industry participation, the ET Pilots have the potential to accelerate deployments, as more network and hardware providers will see new opportunities to target and engage in the North Carolina market. By allowing site hosts to control selection of equipment and network providers and to control pricing to drivers on their properties, the Commission would keep market pricing competitive while also allowing site hosts to tailor charging activities to align with their business goals and operations. The Commission would also prevent development of a dual-market, partly comprised of competitively-priced solutions and partly comprised of regulated-priced solutions, which could distort the EV market long-term, and likely unjustly favor utility offerings over non-utility offerings.

ChargePoint also believes that the Commission should consider alternative utility investment models to pilot under the Companies' proposed ET Pilots, such as make-ready programs and rebates for the installation and operation of public charging infrastructure. Notably, make-ready and rebate models have been approved in other jurisdictions for DC fast charger and L2 deployments.<sup>31</sup>

## CONCLUSION

ChargePoint again thanks the Commission for the opportunity to provide these initial comments on the Companies' ET Pilots, and for its consideration of transportation electrification programs generally. ChargePoint respectfully requests the Commission's consideration of ChargePoint's proposed amendments to the ET Pilots recommended herein and the adoption of pilots that will achieve program goals by supporting a long-term sustainable and competitive market for the installation and operation of electric vehicle charging infrastructure in North Carolina. ChargePoint looks forward to participating and contributing to future discussions with

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<sup>31</sup> See *e.g., supra*, notes 12, 13, 17.

other interested parties and stakeholders on how to effectively use competitive forces to achieve beneficial transportation electrification.

Respectfully submitted this 5th day of July, 2019.

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Comments of ChargePoint, Inc. filed in Docket Nos. E-2, Sub 1197 and E-7, Sub 1195 was served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 5th day of July, 2019.

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